Daily Report

Latin America

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CONTENTS

CARIBBEAN

Cuba

Castro Rejects Pressure To Withdraw From Angola *[Johannesburg]* 1
Further on Flooding in Cienfuegos, Other Areas 1
Tornado Destroys 5 MIG-21's 1
Civil Defense Reports Damage 2
Risquet Receives Brazilian Socialists 3
Former Ecuadoran Presidential Candidate Visits 3
Tours Santiago de Cuba 3
PCC Official Speaks at Meeting in Romania 3
PCC Secretariat Member Rizo Pays Visit to GDR 3
Soto, GDR Officials Discuss Cooperation 3
Visiting GDR Delegation Signs Agreement 4
Composition of UN Human Rights Group Noted 4
New Customs Procedures for Tourists Noted 4
Customs Official on Introduction of Contraband 4
Currency Confiscated 4
Political-Ideological Work in Granma Discussed 5
Plan To Reduce Cienfuegos Port Inventories Noted 5

Caricom

Agriculture Ministers Meet on Food Production 5

Antigua and Barbuda

Party Announces Candidates; No Election Date Set 5

Bahamas

Cuban Officials Discuss Air Service to Nassau 5

Dominica

Parliament Approves Budgetary Estimates 5
Opposition Party Prepares for Early Elections 6

Jamaica

Foreign Minister on Haiti, Panama, USSR Policy 6
Manley Denounces Seaga's Election Statement 6
Labor Party To Hold Annual Conference 9-10 July 7
Government Loses Appeal on Union Representation 8

St Christopher and Nevis

Shipping Association Head Cited on Drug Threat 8

MEXICO

President on Inflation, Debt, Solidarity Pact 9
PMS Presidential Candidate Urged To Withdraw *[EL DIA 27 May]* 9

U.S. Pursuing 'Wrong Strategy' in L. America *[EXCELSIOR 28 May]* 9
ULCRA Head Decries Influence of U.S. Media *[EL DIA 28 May]* 10
Briefs 10
'Drug Gang' Captured 10
Alleged Traffickers Arrested 10

CENTRAL AMERICA

Belize

Permanent Joint Commission With Guatemala, UK 11

El Salvador

President Duarte Confirms, Discusses Illness *[AFP]* 11
Ungo on Duarte's Absence 11
Ungo on Visit to Country, Political Situation 12
Says Situation 'Worsening' 14
Power Outages Continue Due to FMLN Sabotage 15

Guatemala

Cerezo Says Calm Returned to Country *[PRENSA LIBRE 2 Jun]* 16
Closed Television Station Renews Operations *[Buenos Aires REUTER]* 16
Christian Democrat Splinter Group Formed *[PRENSA LIBRE 1 Jun]* 16

Nicaragua

PCD's Sotelo Denies Involvement in CIA Plan *[BARRICADA 25 May]* 16
Journalists, Politicians Demand Press Freedom *[DPA]* 17
Finnish Agriculture Minister Arrives 17

Panama

Guatemalan President Offers Mediation *[LA ESTRELLA DE PANAMA 2 Jun]* 17
Strategic Military Council Issues Report 18
Solis Palma Greets DPRK Assembly Leader 18
Radio Constitucional on Noriega, Politics 18
Bank Restrictions Extended for 3 Months 19
PDC President on 'Dramatic' Banking Situation 19
Molirena Leader on Election Participation 19
Venezuela's Perez Remarks on Crisis Criticized 20
France, Spain, Mexico, Deliver Medical Aid 20
Creation of Stock Exchanges Authorized *[LA ESTRELLA DE PANAMA 1 Jun]* 20

SOUTH AMERICA

Argentina

Alfonsin Outlines Foreign Debt Proposal 22
Addresses UN Arms Session 24
Meets Japan's Takeshita 25
Departs for Spain 26
Caputo Comments on Alfonsin Falklands Remarks 26
Jaunarena on U.S. Ties, Lehman Remarks 27

Bolivia

Defense Minister Revollo Says Borders Calm *[PRESENCIA 27 May]* 27
Interior Minister on Cocaine Processing *[EL DIARIO 24 May]* 27

Brazil

Assembly Approves 5-Year Term; Sarney Comments 27
Sarney Comments on New Industrial Policy 28
Soviet Official Signs Transport Sector Protocol 28
Trucks Sold to Angola; Libya Negotiating *[FOLHA DE SAO PAULO 31 May]* 29
Delivery of AMX Fighter Delayed 29

Chile

State of Emergency Extended; Media Restricted 29
Public Meetings To Require Authorization 29
Pinochet: Plebisicte Should 'Reaffirm' Powers 30
Merino Comments on Lifting State of Emergency 30
Praises Government's Record 30
Opposition Leader on State of Emergency 31
Labor Leader on 'Self-Inflicted Coup' Chances 31
List of Exiles Allowed To Return Released 31
Ministry: Economic Adjustment Not 'Appropriate' 31
Survey Shows Yes Vote Winning Plebiscite 32
PDC Leader Aylwin Comments on Plebiscite *[ANALISIS 23-29 May]* 32
FPMR Official on 'Fradulent' Plebiscite *[Havana]* 35
Independent Command for Yes Vote Created 35
Ambassador to Washington on U.S. Concerns 36
U.S. Donations 'Insolent Intervention' 36
National Party Leader Denies Resignation *[EL MERCURIO 22 May]* 37
Police Arrest Suspects in School Attack 37
Police Arrest 10 Members of FPMR Cell 37
Military Prosecutor Attacked; Uninjured 38
Torres Silva Comments 38
FPMR Takes Credit *[EFE]* 38

Colombia

ELN Denies Holding Gomez; Citizens Protest *[Buenos Aires REUTER]* 39
Army Commander Denies Military Coup Rumours *[AFP]* 39
'Terrorists' Destroy Section of Oil Pipeline 39

Ecuador

Government Lifts State of Emergency 2 June *[Buenos Aires REUTER]* 39
Inflation Said To Cause Social Unrest *[AFP]* 40

Peru

Lawyer, IU Mayor Killed; Shining Path Blamed *[EFE]* 40
23 Rebels Killed *[EFE]* 41
Irradiation Plant Construction Announced 41

Uruguay

Foreign Minister on Fishing in Exclusion Zone *[EFE]* 41

Venezuela

UK Minister Praises Lusinchi Economic Policy 42

Guyana

Hoyte on Visit to UK, Oil Exploration Plan 42
Announces EC Project 42

Cuba

Castro Rejects Pressure To Withdraw From Angola

MB0306155188 Johannesburg International Service in English 1500 GMT 3 Jun 88

[Text] President Fidel Castro of Cuba has made it clear that his government is committed to an independent policy on Angola and is not amenable to pressure from any source. Dr Castro was addressing a closed meeting of the Nonaligned Movement in Havana, which focused mainly on the recent peace discussions in Angola [as heard] involving South Africa, Cuba, and the Angolan Government.

When asked what Cuba would do if the Soviet Union put pressure on Cuba to withdraw its forces from Angola, Dr Castro described the question as hypothetical, saying the Soviet Union knew that Cuba would not submit to such pressure.

The Cuban leader's remarks were reported by a senior Cuban Government journalist in a telephone interview with the Spanish service of Radio RSA. The journalist said there had been a slight shift in Cuba's position on the troop withdrawal from Angola that became apparent at the nonaligned meeting. Previously, he said, Cuba had insisted on four conditions for such a withdrawal. These were: first, the implementation of UN Resolution 435 on independence for South-West Africa/Namibia; second, the total withdrawal of South African troops from Angola; third, an end to South African support for the National Union for the Total Independence of Angola [UNITA]; and last, a halt to American aid to UNITA.

Dr Castro told the meeting that Cuba now only insisted on the first three conditions. American support for UNITA, he said, was not Cuba's concern; it was a matter between the United States and the Popular Movement for the Liberation of Angola government.

Further on Flooding in Cienfuegos, Other Areas

FL0206161088 Havana Radio Progreso Network in Spanish 1100 GMT 2 Jun 88

[Text] Heavy rains continued to fall today before dawn in the provinces of Cienfuegos, Villa Clara, Sancti Spiritus, and Ciego de Avila because of the tropical depression. The atmospheric disturbance has moved to the west; its associated rains also affected Camaguey, parts of Las Tunas, and Ciego de Avila.

Record rainfall for a 24-hour period was registered in Cienfuegos. The FAR and Interior Ministries had to evacuate some 3,000 there. Some 1,700 were evacuated in Sancti Spiritus. There are reports of landslides and small areas cut off because of the storm. In Villa Clara more than 2,200 have been evacuated and urgent measures have been taken to protect cattle and various harvest enterprises. In Ciego de Avila, 8,000 people were evacuated, more than 6,000 of whom are students.

It was reported that road communications are interrupted and national road services suspended except in the provinces of Sancti Spiritus via the central highway and Mantanzas and Pinar del Rio through the Via Blanca. Departures on national bus lines were also suspended from the eastern and central provinces to Havana until the situation is back to normal. Likewise, Havana-Holguin, Holguin-Havana, Havana-Santiago, Havana-Bayamo-Manzanillo passenger train services were suspended. The "extra" train services of Camaguey-Havana, Camaguey-Santa Clara, Cienfuegos-Havana, and Havana-Cienfuegos were also suspended. Train service cancellations also included the Moron-Camaguey, Jucaro-Nuevitas, Santa Clara-Trinidad, and Cienfuegos-Tunas [words indistinct].

Two deaths have been reported as a result of the rains: Pedro Serrano, 66 years old, who drowned in Sancti Spiritus when he attempted to cross a flooded river; and Adalberto Perez, 61 years old, who was struck by lightning.

It is reported that rains will continue, affecting all provinces from Matanzas to Ciego de Avila today.

Tornado Destroys 5 MIG-21's

FL0206193088 Havana Radio Rebelde Network in Spanish 1700 GMT 2 Jun 88

["Information Note No 3" issued by the Command Post of the Civil Defense Chief of Staff—date not given]

[Text] The complex meteorological situation is affecting the central region of the national territory; it is most intense over Camaguey and Las Tunas Provinces. The related heavy rains have moved to the east in the last few hours. They have have caused flooding, some casualties, and considerable material damage. Damage was reported at the Paso Bonito filtration plant and pumping station adjacent to Cumarayagua. Measures are being taken to normalize the situation which is affecting the water supply, especially to the cities of Villa Clara and Cienfuegos.

A tornado hit Camaguey this morning, destroying five MIG-21 combat planes at that provincial airport. The railroad bridge over the Agabama River, located in the vicinity of the city of Trinidad, was destroyed by the rains.

Three fatalities have been reported during the past few hours in Cienfuegos Province; these are in addition to the two previously reported. The deceased are: Roberto Quintana Hernandez, who was killed by lightning; Juan Sanchez, who drowned; and Omar Raul Carranza, who also drowned. Furthermore, 10 people are reported missing and 7 injured; 46,060 persons have been evacuated, with shelter having been provided for 14,211; and 50,513 head of cattle have been transferred to safe areas. Damage has been reported to 813 housing units, of which 65 were totally destroyed, and 29 agricultural

installations have been damaged. In the transportation network, 52 places were affected, and 25 important portions of the telephone and electrical network have been affected.

The main flooding has been reported in the southern part of Sancti Spiritus Province, especially on the banks of the Agabama and Sierpe Rivers. Cienfuegos reports record flood levels, especially in Cienfuegos and Cumanayagua municipalities. This province reported that 1,000 metric tons of bulk sugar were damaged by the water. In the southern part of Ciego de Avila Province, the water level has been reported up to 1 meter deep. Extensive flooding is reported in the areas of Venezuela and Gaspar, where there were no victims thanks to the rapid evacuation of residents. Extensive flooding is reported in the city of Camaguey, and in the cities of (Cepedes) and Florida. Water at the Sasa Dam has increased by 443 million cubic meters in only 48 hours. Overall, dam levels are high.

National land transportation to and from the eastern provinces is paralyzed. FAR and Interior Ministry units are participating in rescue efforts; they are using helicopters and boats.

Due to the situation affecting the national territory as a result of the heavy rains, Villa Clara, Ciego de Avila, Camaguey, and Las Tunas Provinces are in a state of alert. Cienfuegos and Sancti Spiritus remain in a state of emergency due to the heavy rains, and rescue operations have been decreed in Matanzas Province.

Civil Defense Reports Damage

FL0306023088 [Editorial Report] Havana Television Service in Spanish at 0000 GMT on 3 June begins its newscast with a "detailed report from the headquarters of the National General Staff of the Civil Defense."

The announcer reports that "as of late this afternoon, 14 people have died, 4 are missing, and 7 have been injured." He notes that flooding is reported in Villa Clara, Cienfuegos, southern Sancti Spiritus, and southern Ciego de Avila. Aerial video shows the areas that have been flooded and the buildings affected by this. The camera in the helicopter shows a man in a harness being pulled up into the aircraft.

The flooding has affected the electric motors involved in supplying water to the cities of Santa Clara and Cienfuegos, he says.

With regard to Sancti Spiritus, he notes that the train bridge over the Agabama River has collapsed. (Topes de Coyantes) is without communications or electricity, continues the announcer. "The retaining wall of three minidams in Sancti Spiritus broke," he says; "however, no deaths were reported because the population was evacuated in time."

In Ciego de Avila, the announcer reports that the towns of La Palma, (Ramadero), and Teresa have been isolated because of the flooding.

He concludes by reporting that Villa Clara and Las Tunas are in a state of alert because of the intense rains, while Cienfuegos, Sancti Spiritus, Ciego de Avila, and Camaguey are in a state of emergency.

In reference to the city of Camaguey, the correspondent in Camaguey Province reports that all the rivers in the area overflowed their banks, flooding nearby neighborhoods. The camera shows people wading through water that is waist deep in some areas. FAR troops assisting in the civil defense plan began evacuating residents early this morning, she says. "As of 0600 [1000 GMT], more than 100,000 mm of water have fallen," she continues.

In reference to Ciego de Avila Province, the announcer reports that the intense rains continue. As of now, 27,126 people have been evacuated and more than 50,800 head of cattle have been moved to secure areas, says the announcer. Four people were slightly injured but no deaths have occurred, she says.

In the meantime, "Cienfuegos Province is recovering from the intense rains that fell over the past few days, especially those that fell yesterday," says reporter Omar George. Within an 8-hour period, 634 mm of rain fell, flooding several areas in the city of Cienfuegos. The camera shows people sifting through the rubble, buses laying on their sides covered almost to the top with water. An aerial shot of the flooded areas is shown.

The province itself recorded 734 mm of rain, continues the correspondent. According to preliminary figures, he says, close to 17,000 people were evacuated, 11 have died, and two are missing. Water service to Cienfuegos and Santa Clara has been interrupted because of the damage that occurred to the main water plant. "Water will be piped to the population in each defense zone and this situation will continue for several days until the damage at the plant is repaired," says George. Priority has also been placed on the sale of milk and bread to the population, he adds. The Cienfuegos correspondent points out that the most affected municipalities were Cienfuegos and Cumanayagua.

Turning to Sancti Spiritus, "more than 10,000 people were evacuated because of the heavy rains that fell over the past 3 days and approximately 18,000 students returned to their homes," says the reporter. Film clips show people getting in and out of helicopters.

"To give an idea of the heavy rains that have fallen in Sancti Spiritus, we should point out that the Sasa dam—the largest in the country—now has more than 700 million cubic meters of water," he says. "This means that 100 million cubic meters of water was entering the dam every 6 hours,"

adds the announcer. The Sancti Spiritus correspondent concludes by saying that the damage has not yet been measured but it will certainly be extensive.

Risquet Receives Brazilian Socialists

FL2805024288 Havana Radio Reloj Network in Spanish 0203 GMT 28 May 88

[Text] Jorge Risquet Valdes, member of the PCC Politburo, today received a Brazilian Socialist Party delegation headed by the party's secretary general, Roberto Amaral Vieira. They discussed topics of common interest in the development of relations between the two parties, as well as the current international situation, especially the struggle of the Latin American peoples and nations for their economic integration. They also examined the forgiving of the foreign debt and the Latin American peoples' full exercise of their national sovereignty and independence.

Former Ecuadoran Presidential Candidate Visits

FL0105031288 Havana Radio Reloj Network in Spanish 0202 GMT 1 Jun 88

[Text] Frank Vargas Pazzos, former presidential candidate during the last elections, arrived today in Havana en route from Managua, Nicaragua. He is touring Latin American countries.

During their stay in our country, the Ecuadoran delegation will hold talks with government leaders and will visit areas of cultural, scientific, economic, and recreational interest.

Upon his arrival, Vargas Pazzos said that the activities of Ecuador's Patriotic Union have very clear objectives in view of the situation in Central America and the aggressiveness of imperialism against our peoples.

As Ecuadoran and Latin American citizens, he said, the visit to this Caribbean island will afford a very good opportunity to appreciate the advancements made by the revolution and establish ties of friendship with its leaders and people.

Tours Santiago de Cuba

FL0206023088 Havana Radio Reloj Network in Spanish 0202 GMT 2 Jun 88

[Text] The delegation of the Patriotic Union of the People of Ecuador, headed by Frank Vargas Pazzos, former presidential candidate, toured museums and historical areas of interest in Santiago de Cuba.

Vargas Pazzos said the visit was like a fountain of knowledge on the Cuban people and their revolution. He said he learned about their heroic struggles and achievements in the construction of a new society.

During their tour of the 26 July and Clandestine Nights Museums, the Frank Pais Monument Park, and the Abel Santamaria Museum Park in Santiago de Cuba, they received a detailed explanation on the process of Cuba's liberation.

The Ecuadoran delegation arrived in Cuba after visiting Panama and Nicaragua during a tour which Vargas Pazzos called an expression of solidarity with the peoples and an expansion of friendship and cooperation ties.

PCC Official Speaks at Meeting in Romania

FL0106202388 Havana Radio Reloj Network in Spanish 1902 GMT 1 Jun 88

[Text] In Bucharest, Romania, Cuba has outlined the principal concepts of its agrarian policy and stressed the importance placed on sugarcane by-products, which is an undeniable option for cooperation with Latin America, Africa, and Asia.

The chief of the Cuban delegation, Julian Rizo Alvarez, spoke today at the meeting of secretaries responsible for agricultural-livestock activities. The secretaries are from communist party central committees and socialist workers' parties. The meeting is taking place at the Bucharest Hotel.

At today's meeting, Rizo discussed Cuba's goal of introducing dynamic solutions to old problems in socioeconomic planning. The alternate member of the PCC Politburo also referred to the measures taken in our country to guarantee the production of tubers, vegetables, fruits, and grains, and meet the domestic demand for rice.

PCC Secretariat Member Rizo Pays Visit to GDR

FL3005131588 Havana Radio Progreso Network in Spanish 1100 GMT 30 May 88

[Text] A Cuban delegation headed by Julian Rizo, member of the PCC Secretariat, toured the GDR district of Halle to learn about the development of livestock-agricultural cooperatives in the region.

Soto, GDR Officials Discuss Cooperation

FL3005201388 Havana Radio Reloj Network in Spanish 1913 GMT 30 May 88

[Text] The level of economic, scientific, and technical cooperation between Cuba and the GDR were analyzed in Berlin by Guenter Mittage, member of the Politburo of the Socialist Unity Party of Germany, and Lionel Soto, secretary of the PCC Central Committee.

Mittage and Soto exchanged views during the meeting on topics of mutual interest and on current affairs.

The GDR leader briefed Soto on the economic strategy the GDR proposes to follow, especially in the area of key technologies.

The Cuban leader expressed great interest in the GDR's administrative, planning, and economic accounting systems and their constant improvement.

Upon his arrival, Soto told his host of a Cuban delegation that will participate in the international meeting for nuclear-free zones which will be held in June.

Visiting GDR Delegation Signs Agreement

FL3105235288 Havana Radio Rebelde Network in Spanish 2300 GMT 31 May 88

[By Roxanna Valdivia from Ciego de Avila Province]

[Text] A bilateral agreement for the purchase of plantain pulp was signed in Ciego de Avila at the end of a visit by a high-level GDR delegation headed by Horst Illgen, deputy minister of trade and supply.

After touring the La Cuba agricultural enterprise, one of the largest distributors of plantain and fruit throughout the country, the high-level GDR official praised the work done on the plantations to save 30 percent of the crops. This was explained to him by Alfredo Hondal Gonzalez, member of the PCC Central Committee and first secretary of the party in Ciego de Avila.

The agricultural [words indistinct] for the pulp plant is guaranteed, said Illgen in speaking about the new installation that is under construction near the Cuba-GDR Friendship citrus center in Ceballos.

Illgen later said that the joint agreement is an economic-social achievement for the two countries because it will guarantee food for children in Cuba and the GDR.

Composition of UN Human Rights Group Noted

FL0206151088 Havana Radio Progreso Network in Spanish 1100 GMT 1 Jun 88

[Text] The members of the UN human rights delegation, which will visit Cuba in August, have been announced in Geneva. The chairman of the commission will be Alioune Sene from Senegal. The delegation will also be composed of representatives from Bulgaria, Colombia, [word indistinct], Nigeria, and the Philippines. The group is responding to an invitation extended by the Cuban Government so that its members can confirm firsthand the respect for basic rights of men in our country.

New Customs Procedures for Tourists Noted

FL2805033588 Havana Radio Reloj Network in Spanish 0224 GMT 28 May 88

[Text] Cuban customs has established facilities for international passengers, as well as for the control of imports, according to Humberto Nodarse Casagran, deputy chief for contraband control at Havana Customs. He added that tourists are those who have no permanent residence in Cuba and visit us for a minimum of 24 hours and a maximum of 6 months in a year for tourism, recreation, sports, health, family affairs, business, or other activities. He said that a tourist can bring new or used personal effects tax-free into the country, as long as they are for their personal use and quantities are reasonable for the length of the stay. Some articles considered personal effects are jewelry; cameras, including movie cameras; and musical instruments.

The National Customs Directorate will shortly require a declaration of items to replace the old customs declaration, Nodarse announced. The new declaration will be filled out by the traveler if he is bringing in items worth more than 150 pesos, whether jewelry or foreign exchange. Articles and products will be declared verbally to the customs inspector. He added that a tourist can bring in any kind of foreign currency in any amount as long as it is declared in the customs form.

A tourist will only be able to exchange foreign currency for national currency in the offices of the National Bank of Cuba designated for this purpose, whether in banks or ports, airports, hotels, and other places.

Customs Official on Introduction of Contraband

FL2805183288 Havana Radio Rebelde Network in Spanish 1533 GMT 28 May 88

[Text] Humberto Nodarse, deputy chief of the department responsible for the fight against contraband of the Customs Directorate, has said that the international Mafia headquartered in Miami is increasing its efforts to introduce dollars and contraband items into Cuba for the black market.

He backed up his accusation by citing the case of two travelers who were secretly carrying $22,000 and $18,000, respectively.

Currency Confiscated

FL0106210488 Havana Radio Reloj Network in Spanish 1907 GMT 1 Jun 88

[Text] A new episode on the activities of the so-called Suitcase Mafia has occurred in Havana. The couple involved was supposedly here as tourists. Cuban customs officials confiscated $10,000 that had been hidden in a very professional manner.

Luis Victor Hernandez, customs chief at the Jose Marti Airport, said the Venezuelan citizens, Alexis Dario Villamar and Magalia Rosales Villamar, hid the money in the double lining of a woman's purse and in the binding of an appointment book.

The couple arrived in Cuba last Saturday, reportedly for tourist activities. The currency was wrapped in aluminum foil and divided between the two containers [previous word rendered in English] for the obvious purpose of avoiding detection by x-rays.

It was also reported that the traffickers carried a list of 227 names and addresses of people living in Havana and other nearby areas. The Venezuelans admitted they were taking the money to the people on the list.

Political-Ideological Work in Granma Discussed
FL2805031288 Havana Radio Reloj Network in Spanish 0223 GMT 28 May 88

[Text] The labor movement in Granma Province will intensify its political-ideological work among the workers. This was reiterated at a meeting on propaganda and agitation held by the CTC [Central Organization of Cuban Trade Unions]. Rosario Fernandez, of the CTC's national secretariat, said that the propaganda and agitation plans must be aimed at the specific problems of the work centers, such as the fulfillment of production programs and the good use of the work day. It was learned that the mentor movement involving old and young workers is still weak, because it has not been developed in all production and service centers.

It was reported at the meeting that the labor correspondents movement has grown, but more control, evaluation, and encouragement are needed for the Granma workers who perform this publicity task in both their work centers and in the media.

Plan To Reduce Cienfuegos Port Inventories Noted
FL0106213288 Havana Radio Reloj Network in Spanish 1922 GMT 1 Jun 88

[Text] An operational plan for the port of Cienfuegos was created to reduce its high inventories, which now exceed 34,000 tons. This plan includes the daily removal of more than 1,400 tons of merchandise.

The removal process will be assisted every work day by 10 ramps, 2 boxcars, and 60 buses from the provincial station and 20 from the national enterprise.

The operation began on Monday at the port of Cienfuegos. As of Tuesday, more than 2,000 tons of merchandise have been removed, including cargo for the electronuclear center in Juragua.

The fundamental purpose of moving the cargo is demonstrated by the removal of more than 1,000 containers, thus making room for a vessel which will soon arrive in Cienfuegos with approximately 100 containers destined for Havana.

Caricom

Agriculture Ministers Meet on Food Production
FL2605182288 Bonaire Trans World Radio in English 1130 GMT 26 May 88

[Text] Caricom agricultural ministers opened a 3-day meeting in Port-of- Spain to discuss increase in food production in the 13-member grouping. The ministers' attention will also be focused on a number of agricultural support services. The meeting ends on Sunday.

Antigua and Barbuda

Party Announces Candidates; No Election Date Set
FL0106140988 Bonaire Trans World Radio in English 1130 GMT 1 Jun 88

[Text] The ruling party in Antigua and Barbuda has announced its list of candidates though no election date has been set. Prime Minister Vere Bird, Sr announced yesterday that the 16 incumbents who won their seats in the last election will run again. Elections are constitutionally due in 1989.

Bahamas

Cuban Officials Discuss Air Service to Nassau
FL3105202088 Nassau Domestic Service in English 1700 GMT 31 May 88

[Text] A delegation from Cuba met with representatives from the Ministry of Transport, the Ministry of Tourism, and the Ministry of Foreign Affairs in Nassau last week.

They discussed the initiation of air service by Cubana Airlines between Havana and Nassau. The preliminary meeting lasted 2 hours. A spokesman from foreign affairs said it established some guidelines for submission of an application by the Republic of Cuba for a provisional license which, if approved, would permit Cubana to begin service to Nassau.

Dominica

Parliament Approves Budgetary Estimates
FL0206173088 Bridgetown CANA in English 2030 GMT 31 May 88

[Text] Roseau, Dominica, May 31, CANA—Dominica's House of Assembly has approved supplementary budgetary estimates amounting to 5.16 million East Caribbean dollars for the financial year ending June 30, 1988.

Opposition parliamentarians, however, challenged some of the expenses the government was seeking the money to cover. Opposition leader Michael Douglas as others challenged the 87,000 EC dollars (one EC dollar - 37 U.S. cents) to cover increased payments of telephone and telegram services which were already budgeted for, 236,079 dollars to augment electricity at the Princess Margaret Hospital, and 51,000 dollars for a motor car for the Ministry of External Affairs.

Trade and Industry Minister Charles Maynard, in responding to the concerns of the opposition, pointed out that government ministers had to return calls which came sometimes during the weekends, with request calls which could mean benefits to the country. He said telephone and telefax services were widely used, far beyond the expectations of the local company providing the service.

Also answering opposition queries, Prime Minister and Finance Minister Eugenia Charles told parliament Monday that she has received no bills in respect to the visit of Bahamian Prime Minister Sir Lynden Pindling to Dominica earlier this month.

Opposition Party Prepares for Early Elections

FL0106143088 Bonaire Trans World Radio in English 1130 GMT 1 Jun 88

[Text] The leader of the Dominican opposition Labor Party, Michael Douglas, says his party is preparing for early general elections. Mr Douglas says he is doubting a statement which was made over the weekend by Prime Minister Mary Eugenia Charles who said that there would be no early polls. Elections are not due in Dominica until 1990.

Jamaica

Foreign Minister on Haiti, Panama, USSR Policy

FL0206203188 Bridgetown CANA in English 2154 GMT 1 Jun 88

[By Paget de Freitas]

[Excerpts] Kingston, Jamaica, June 1, CANA—Jamaica's foreign minister said on Wednesday that Haiti had made significant strides toward democracy.

In respects to Haiti ... We have been taking note of the efforts made by the government despite the shortcomings of the recent elections, the Jamaican foreign minister, Hugh Shearer, told journalists at a news conference. There has also been a much less negative approach, announcements, and criticisms (of Haiti) than there were before, he added.

Shearer's remark bolstered an even firmer endorsement of President Leslie Manigat in a foreign policy review document released by the government on Tuesday night, in which it conceded that the January 29 election that bought the Haitian president to power were in a number of respects flawed.

It is our view, however, that the installation of Professor Leslie Manigat as a civilian president, within the framework of the new Constitution, represents an important step towards the exercise of democracy which had been denied the Haitian people for almost three decades, the document said.

Jamaica anticipates a strengthening of the democratic institutions in Haiti under the new administration and has offered the Haitian Government support in its efforts to strengthen the country's socio-economic base, it added.

Jamaica is one of few Caribbean countries which from the outset said it would recognise the government elected from the January election which was boycotted by some candidates. [passage omitted]

Some Caribbean governments, after their initial threats of ostracism, have since softened their attitude to the new administration in Port-au-Prince and Shearer suggested the Manigat was gaining wider international support. [passage omitted]

The Jamaican foreign minister said the government here felt it was important that Caribbean Community states use their opportunities to assist Haiti, as well as Suriname on the return path to full democratization. [passage omitted]

On Panama, where the U.S. is attempting to oust de factor leader General Mauuel Noriega, the policy document expressed concern without seeking to apportion blame or suggest a solution, but at the news conference Shearer indicated Jamaica's support for the Caricom position mildly critical of the United States.

In the case of Panama we are dealing with the matter on a regional basis ... we are not taking any separate position, the foreign minister said.

At a meeting in Port-of-Spain last week, attended by Shearer's deputy, Jeanette Grant-Woodham, Caricom foreign ministers said that Panama's problems were for the people of that country to solve.

Shearer also dismissed recent analyses that the ruling Jamaica Labour Party government has softened its strident anti-communist stand as part of efforts to increase bauxite sales to Moscow.

The conservative Prime Minister Edward Seaga recently took umbrage with the Jamaican media after an effusive reception given to a top-ranking Soviet delegation that was ostensibly here to discuss Mikhail Gorbachev's programmes of openness and democratisation and economic reform—glasnost and perestroyka.

We haven't changed, Shearer said, adding it was the Soviets who had moved closer to the government here.

Manley Denounces Seaga's Election Statement

FL0206164088 Bridgetown CANA in English 2114 GMT 31 May 88

[Text) Kingston, Jamaica, May 31, CANA—Opposition political leader Micheal Manley on Tuesday described as irresponsible comedy Prime Minister Edward Seaga's threat to delay general elections if Manley did not agree to an early policy debate. He said Seaga's action was spurred by the latest public opinion poll showing that the ruling Jamaica Labour Party (JLP) continued to trail the opposition. Manley also restated the Peoples National

Party's (PNP) position that it would only debate within the context of an agreement to prevent violence during the election campaign and after Seaga has announced the election date.

The debate proposed is between two people about policy published in documents, Manley told reports. Peace, however, is about whether people are going to be alive or people are going to die. That's why I believe that peoples lives are more important than Mr. Seaga and myself preening ourselves or not before a television camera, the PNP leader added. The two parties are working on a peace agreement to prevent the kind of violence that engulfed the 1980 election campaign when hundreds died.

In weekend remarks Seaga suggested that he would take the election timetable to the limit, unless the PNP agreed to the debate. The longer they wait for the debate, the later the (election) date will be, the prime minister said Saturday night as he was being feted by his West Kingston constituency on his 58th birthday. He declared at a JLP rally Sunday night: the longer the delay for the debate, the longer the wait for the election.

The private sector and interest groups have supported the idea of a debate and Seaga's JLP has been goading the PNP on the issue. Seaga gained a second five-year term in the general election of December 1983 that was boycotted by the PNP.

The constitutional life of the present one-party parliament ends on January 10 next year—the fifth anniversary of its first sitting. But Seaga could conceivably stay in office for another three months after that before calling new elections, using existing constitutional provisions. The recent statements by the prime minister and other members of his party has given rise to speculation that Seaga might be contemplating utilising the grace period hoping to make up ground among the electorate.

An opinion poll published this week showed the PNP still significantly ahead with a 48 percent support among the electorate, while the JLP had slipped a point since January to 35 percent. The poll came against the backdrop of a five percent economic growth in 1987 and expectation of a similar performance this year.

It was the poll finding that really concerned Seaga, Manley told reporters. The suggestion that this (threatened) postponement of the election is because of the issue of the debate is a transparent trick to hide the fact that they are obviously not anxious about holding them, Manley said.

The PNP leader, while acknowledging the prime minister's right to utilise the three-month grace period, said the Constitution contemplated the extension only in extraordinary circumstances. For Seaga to use it would mean that the country had moved from a one-party parliament to having no parliament and a government only by cabinet. The PNP would therefore take gravest view of any attempt to try to exploit this provision, said Manley, adding that it would lead to grave consequences for the country.

Labor Party To Hold Annual Conference 9-10 July

FL3005215588 Bridgetown CANA in English 2005 GMT 30 May 88

[Text] Kingston, Jamaica, May 30, CANA—The ruling Jamaica Labour Party (JLP) will hold its annual conference on July 9-10, Prime Minister Edward Seaga announced on Sunday night.

Analysts have been waiting on the JLP's conference time-table to help determine the possible election date, but most remained confused.

Seaga, on separate occasions over the weekend, suggested that he would delay the calling of the election if the opposition Peoples National Party (PNP) did not accede to a debate before he announced the date for the poll.

At the same time JLP Chairman Bruce Golding said that elections could be held anytime up yearend.

The JLP conference was postponed from March and Seaga announced the new date at a rally in downtown Kingston. The announcement came at a time when a new opinion poll showed the PNP maintaining a comfortable lead among voters, with a 48 per cent support, while the JLP had slipped a point since January at 35 per cent.

Most analysts here had suggested that the JLP would use its party conference to launch in earnest the election campaign, and both Seaga and Golding had indicated that this would be the case. Most observers had also expected that Seaga would either at the conference or within a few weeks afterwards announce the dissolution of parliament and the election date. But they got unclear signals from the JLP.

The longer the delay for the debate, the longer the wait for the election, Seaga said Sunday night. Seaga had made the same point Saturday at a function put on by his West Kingston constituents to mark his 58th birthday.

The longer they wait for the debate, the later the date will be, Seaga said.

Seaga has challenged PNP leader Michael Manley to a policy debate, but the PNP has given a conditional acceptance.

Manley said that he was ready for a debate anytime an election was announced and once the prime minister made available certain figures on the economy and the governments pre-sale of bauxite and alumina that have been kept secret.

The PNP has also called for equal coverage of its positions by the state-owned radio and television stations.

The signs as to the date for the election are equivocal, a senior PNP official, who asked not to be identified, told CANA Monday. I think that Seaga has two significant problems—first there is the poll and secondly he is just not ready, he said. All their candidates are not yet in place, though they presumably will be by the time of their conference.

Based on the JLP conference date, PNP analysts would have expected an election between August and September—after independence celebrations and before the PNP conference on September 10. But given all that has happened, another likely scenario is later in the year, the PNP official said.

The PNP is celebrating its 50th anniversary this year having been formed, like the JLP-aligned Bustamante Industrial Trade Union (BITU), in the midst of 1938 upheavals here. The celebration is forming an important plank of the party's election campaign. The government is also attempting to make the most of the BITU's celebration and its designation of 1988 as the year of the worker.

Seaga was elected to a second five-year term on December 15, 1983 in a poll that was boycotted by the PNP.

Government Loses Appeal on Union Representation

FL2705200788 Bridgetown CANA in English 2208 GMT 26 May 88

[Text] Kingston, Jamaica, May 26, CANA—The communist-led University and Allied Workers Union (UAWU) in Jamaica has won at the Privy Council in Britain an important victory in its bid to break the 40-year strangle-hold of the two major unions here on the sugar industry.

The Privy Council on Tuesday dismissed a Jamaica Government appeal against a decision by the courts here that the Labour Ministry should order a representational rights poll at the Hampden Sugar Estate on the Jamaican north coast.

Jamaica's sugar workers are represented jointly by the Bustamante Industrial Trade Union (BITU) and the National Workers Union (NWU), which are aligned respectively to the ruling Jamaica Labour Party (JLP) and the main opposition Peoples National Party (PNP).

The UAWU, whose leaders come from the Marxist Workers Party of Jamaica (WPJ) have since 1984 been attempting to oust them at Hampden. However, the attempts were blocked by the Labour Ministry which consistently refused to order a poll, saying that the sugar industry agreement was open-ended, continuing from year to year.

The UAWU took the matter to court and last October won a decision that the Labour Ministry must organize the poll. The government contested the decision but lost again, then took the matter to the Privacy Council.

UAWU president and WPJ general secretary, Dr Trevor Munroe, has called on the Labour Ministry to hold the poll immediately. He warned that stalling could contribute to industrial unrest at the estate.

During the court hearings last year, Hampden workers went on protest strikes.

St Christopher and Nevis

Shipping Association Head Cited on Drug Threat

FL0106135088 Bonaire Trans World Radio in English 1130 GMT 1 Jun 88

[Text] The president of the Caribbean Shipping Association says illegal drugs are posing a threat to the region's shipping industry. [Name indistinct] said on Monday in St Kitts that drugs are being hidden in cargo heading to the United States. For example, Evergreen Shipping Company has announced that they are pulling out of Jamaica after drugs were hidden in a commercial cargo. When it was discovered, the shipping company was slapped with a $28 million fine. A second company, (?Turks) Line Limited from the Cayman Islands, was also fined $10 million when customs officials in the States opened a shipping container and found marijuana hidden in the commercial shipment.

President on Inflation, Debt, Solidarity Pact

PA0206233588 Mexico City XEW Television Network in Spanish 1300 GMT 2 Jun 88

[Report by Regina Aguirre on speech by President Miguel de la Madrid during a tour of Veracruz on 1 June—passages within quotation marks recorded]

[Excerpt] During a tour of Veracruz port yesterday, President Miguel de la Madrid said that May inflation will range between 1.7 and 1.9 percent. He reaffirmed that he will continue negotiating our country's foreign debt payments to reduce its level and its cost of servicing.

[De la Madrid] "It is certainly satisfactory to know that the May inflationary rate, which will range between 1.7 and 1.9 percent—we will know the exact percentage on 10 June—is the lowest monthly inflation rate in the past 7 years. Our inflation has never been at this level since 1981."

As for renegotiating the foreign debt, the president said he has never offered spectacular solutions, because they do not exist.

[De la Madrid] "What I can promise the Mexican people is that we will continue to show perseverance, firmness, and vigor in our negotiations to achieve further positive results regarding our foreign debt problem, which undoubtedly continues to be a heavy burden for Mexicans."

He clarified that the Economic Solidarity Pact was agreed upon with national leaders of various sectors because there is nothing else to do in a large and densely populated country such as Mexico.

[De la Madrid] "The sectors' activity and attitude will determine whether or not we are able to continue lowering inflation until we reach our objective of maintaining it at the same level as those countries that are our main trade partners. In this way, we aim to recover stability and establish firmer bases for growth, to bring back sustained and fair growth to Mexico." [passage omitted]

PMS Presidential Candidate Urged To Withdraw

PA3105162188 Mexico City EL DIA in Spanish 27 May 88 p 4

[Article by Fernando Pineda Menez: "Let Heberto Castillo, presidential candidate of the Mexican Socialist Party (PMS), Learn from Caesar"]

[Excerpts] [Passage omitted] As in Caesar's battle against Pompei, the left wing is fighting for its life, or at least for the chance to exert a profound influence on Mexican politics until the end of this century. Unlike many other frays, in which mere participation meant a gain, it is now struggling to survive, in the sense that there is a real possibility—a real possibility, we must stress—of reaching power, except it will not be with Heberto but with Cuauhtemoc [Cardenas, presidential candidate of the National Democratic Front].

If it does not form a common front, which is possible now if there is the motivation to win, the left wing risks an embarrassment of such magnitude that Mexicans are likely to remember it for generations. The thought of a major, unified party after the elections is quite all right. However, it is quite wrong not to give up before the elections a candidacy such as that of Heberto, which has little to offer the Mexican electorate when compared with that of Cuauhtemoc.

Some of Heberto's remarks are food for thought. He said recently in Monterrey that "the left wing does not know how to reach Mexicans. We have always struggled for lost causes. What our followers could hope for was the cemetery or a sound beating." Of course, some (very few, as a matter of fact) may hope to become deputies, but the question here is the country as a whole, that we are living through new times, and that Cuauhtemoc's chances are real.

Never before have we witnessed such impressive mass demonstrations as we have seen lately. These masses go into motion not to press for group demands but to vie for nothing less than the presidency, and they are ready to struggle for victory inch by inch against the government. They do not cower before the ruling party and view Cuauhtemoc as the moral and political leader we need to further democracy.

The popular fervor provoked by the National Democratic Front is no trifling matter. Mexico will definitely not be the same after next July.

The obligation of a consistent, lifelong revolutionary like Heberto—setting short-term or strategic differences aside—is to give up now in order to grow in stature, organization, and political solidity. Giving up at this juncture would be a lesson in maturity, intelligence, daring, and imagination.

It is said that Caesar remarked while crossing the Rubicon River at Rome's gateway: Alea jacta est [iacta alea est: the die is cast], and he conquered power with his gesture of daring and desire for victory. Why not Mexicans? Why not the left wing? Why not Dona Rosario [not further identified]? Why not Heberto?

Is it that the Rubicon of sectarianism and myopia is bigger? Heberto must step down. The fate of the left wing is at stake. Will he?

U.S. Pursuing 'Wrong Strategy' in L. America

PA3105225388 Mexico City EXCELSIOR in Spanish 28 May 88 p 6a

[Editorial: "The Wrong Means"]

[Text] The typical conflict between the ends and the means has surfaced again. It has been reported in Washington that the U.S. Government will promote the development of democracy in Latin America on the basis of a "sweeping plan of political infiltration and

financing of grass roots organizations, unions, mass media, and political parties." However, is it possible to encourage democracy through practices that are essentially undemocratic?

This can only mean that Washington continues to pursue the wrong strategy in the area. Thus far this decade the U.S. political leadership has been impervious to the democratic reawakening in the area and has either not been able to or not wished to promote these processes, much less use them to build a fluid, respectful, and strong intercontinental relationship. The handling of the foreign debt crisis has been pitiful because no truly useful initiative has been drawn up to help Latin America and its still weak civilian governments. A shift in strategy would do a great deal more to achieve the goals that the State Department claims to pursue through the infiltration and financing plans it now has under consideration.

The means to be used would seem to indicate that the goal is a different one: The goal seems to be to be able to exercise a certain degree of control over developments in Latin America. If it is not so, why talk about infiltrating parties, unions, and media? No matter how you look at it, the State Department's paper shows that a more systematic interest in the fate of our countries is brewing. The approach is tremendously wrong, but it at least shows a shift in priorities.

ULCRA Head Decries Influence of U.S. Media

PA0106003188 Mexico City EL DIA in Spanish 28 May 88 p 7

[Article by EL DIA correspondent Juan Victor Arteaga]

[Text] What Latin American culture builds during the day the electronic mass media of the United States undoes during the night, through messages that promote consumerism and impose an imported style of democracy on some people, while others are condemned to suffer white despotism, according to Armando Vargas Araya, general secretary of the Latin American and Caribbean Radio Broadcasting Union (ULCRA).

Upon opening the organization's third meeting, Vargas Araya announced that the third Latin American conference on public service radio broadcasting will take place at the end of this year in order to define new goals for the development of the region's radio and television services.

Meanwhile, in Tlaquepaque, Jalisco, Jose Lopez, official in charge of television in the Directorate of Radio, Television, and Cinematography, stated that Mexico is a country with one of the greatest potentials for development in the field of television, because it has a unique and positive system of close collaboration between public and private organizations involved in this modern communications medium. He took part in ULCRA's third Latin American audiovisual market at the El Refugio Cultural Center in Tlaquepaque.

Meanwhile, Hector Murillo Cruz, director of Radio Educacion, said that Mexico needs a mass communications system that is more closely linked to the nation's interests and that provides greater coverage, in order to reach the largest segments of the population.

Speaking at the audiovisual market, Murillo stated that these mass media should promote civic expression, because all the different cultural, social, economic, and political sectors of society are coauthors of national unity.

Briefs

'Drug Gang' Captured

Monterrey, Mexico, 24 May (NOTIMEX)—The Federal Judicial Police has captured an international drug gang, confiscating 343 kg of marijuana and several large-caliber guns in a clandestine warehouse located in Sabinas, Coahuila State. The marijuana has a black market value of 350 million pesos. Those detained are Remberto and Toribio Wilar Rodriguez, Martin Gonzalez Inostroza, Ricardo Gomez Galvan, Inocencio Villarreal Alvarado, Manuel de Jesus Hernandez Esparza, Octavio Guillermo Fabela Medina, and Jesus Beltran Felix, who were transporting the drug from Barranquilla, Colombia, to Coahuila and Tamaulipas to later sell in the United States. Juan Carlos Gonzalez King, Manuel Davila Romo, Antonio Cruz, and Arturo Neri are at large. Reports say that one of them is in San Antonio, Texas. [Excerpts] [*FL2505204288 Mexico City NOTIMEX in Spanish 2329 GMT 24 May 88*]

Alleged Traffickers Arrested

Zapopan, Mexico, 23 May (NOTIMEX)—Federal Judicial Police seized a shipment of 900 kg of marijuana and arrested 5 presumed international drug traffickers in Zapopan, Jalisco. The marijuana was found in packages weighing 300 grams each, hidden away in the tires of the trucks used to transport it to the north. The arrested are Pascual Mendoza Covarrubias, Epifanio Galindo Armenta, Agustin Gonzalez Gutierrez, Jose Cruz Lopez Magallon, and Cipriano Martinez Galindo. [Summary] [*FL2505203288 Mexico City NOTIMEX in Spanish 0036 GMT 24 May 88*]

Belize

Permanent Joint Commission With Guatemala, UK

FL0306034388 Belize City Domestic Service in English 0100 GMT 3 Jun 88

[Text] The Permanent Joint Commission composed of representatives of Belize and Guatemala with the additional participation of the United Kingdom of Great Britain and Northern Ireland was formally established and met for the first time on May 30th and 31st in Miami, Florida, in a positive and cordial atmosphere.

The three participants stated their positions, established working plans and rules for the commission, and agreed on procedures to be followed in order to meet the objectives of the preparation of the draft treaty. Subcommittees of which would (?prepare the draft) [words indistinct] which would present the results of their work to the joint commission for their preliminary approval.

The next meeting will be in July 1988.

This press communique was signed by Sir [name indistinct] for the Belize delegation and Lic (Daniel Vera) of the Guatemalan delegation.

El Salvador

President Duarte Confirms, Discusses Illness

PA0206203688 Paris AFP in Spanish 1852 GMT 2 Jun 88

[Excerpts] Washington, 2 Jun (AFP)—Today Salvadoran President Jose Napoleon Duarte confirmed to the press that he has cancer of the liver and stomach. However, he said that he does not see himself as a defeated man and therefore will continue fighting for his health and "for freedom."

During an impromptu news conference at the entrance of the emergency ward of the Walter Reed Military Hospital, where he is undergoing medical tests, Duarte said that no matter how long his illness is prolonged, "I will have faith in God."

When a journalist asked him if he had any a message for El Salvador, Duarte replied: "I only ask the Salvadoran people not to ever lose their freedom." [passage omitted]

Duarte was accompanied by his wife Ines, his sons Alejandro and Napoleon, his doctor Benjamin Interiano, and Ernesto Rivas Gallont, the Salvadoran ambassador to the United States.

Alejandro, one of Duarte's sons, said that an announcement made yesterday in San Salvador by Vice President Rodolfo Castillo Claramount stating that the president had cancer of the thorax, abdomen, bones, and liver was probably due to a misunderstanding. [passage omitted]

Ambassador Rivas Gallont read a medical report stating: "President Duarte will continue to undergo medical tests today. Last night the president slept well, and today he awoke in good spirits and was very alert.

"Yesterday's tests confirmed the presence of a malignant gastric ulcer and showed that the liver is affected. However, no other organs are affected.

"Today's exams will help in determining the course of the treatment to be followed.

"President Duarte's condition can be defined as stable but guarded."

Dr Interiano preferred not to speculate on whether Duarte will have to undergo surgery or on the duration of the treatment, stating that "perhaps tonight or tomorrow we will know more." [passage omitted]

Ungo on Duarte's Absence

PA0206231388 San Salvador TCS Television in Spanish 1215 GMT 2 Jun 88

[Text] FDR leader Guillermo Manuel Ungo has said that the president's absence because of his illness will freeze the possibility of a dialogue between the government and the FMLN-FDR guerrillas. At a personal and human level, Dr Ungo lamented President Duarte's illness; at the political level, he said that with the president's absence, the country's socioeconomic situation will worsen, adding that some decisions that Duarte would make will be left hanging:

[Begin Ungo recording] This undoubtedly worsens the government's political crisis. It is a crisis of increasing ungovernability, which will worsen. We already see a deterioration in the government and the ruling party. I think that Engineer Duarte's absence from his presidential functions, for at least a considerable time if not permanently, will undoubtedly have a domestic and international impact that does not favor the government. I think the vacuum of power will be made even clearer and more evident. [end recording]

In view of this situation, he said the possibilities for a dialogue between the government and the FMLN-FDR will be frozen to a certain extent:

[Begin Ungo recording] I think [Vice President] Castillo Claramount (?has not played) the same leadership role that Engineer Duarte has played in the past [words indistinct] but I really think that the main factors of power will continue to increasingly be in the hands of the Armed Forces and the U.S. Administration. It is too premature to make a final judgment. Let us see if that same dialogue proposal that Engineer Duarte was making will be continued, or if there will be a waiting period. I think this vacuum and this crisis will lead to an absence of initiatives [words indistinct]. [end recording]

Ungo on Visit to Country, Political Situation
PA2905132888 San Salvador TCS Television in Spanish 1215 GMT 26 May 88

[Interview with FDR President Guillermo Ungo by unidentified reporters in San Salvador—live]

[Summary from poor reception] [Reporter] You have been out of our country for a long time since your last visit. "Many people are asking why Dr [Ruben] Zamora spends more time in El Salvador and is therefore making more of an image than you, who stays abroad?"

[Ungo] This is not a question of image. Zamora is now in Europe, and I am here for the development of my party and because of the alliance between the FDR and the Democratic Merger. "The purpose of this visit is to launch an intensive internal political process to obtain the signatures to register my party, the MNR [National Revolutionary Movement], legally." Our international work is important to establish the conditions to settle El Salvador's political problem.

[Reporter] What is the general opinion on your return and that of your companions?

[Ungo] I just came back from Madrid, where the Socialist International issued a resolution expressing its displeasure over the Salvadoran Government's "lack of compliance with the Esquipulas II commitments signed in Guatemala" and noting that we have taken a risky step because we are in a shark-infested pool.

[Reporter] Would you include the FMLN guerrillas among the sharks you mention?

[Ungo] This takes us to the problem of abuses and excesses during wartime, but "I cannot recall hearing of reports about FMLN bombings of the civilian population" either on this or any other station.

[Reporter] Some media have reported that the FDR and FMLN fronts' credibility abroad has diminished.

[Ungo] Undoubtedly the duration of the war affects all sides. "I believe it is the Salvadoran Government that has lost credibility."

[Reporter] Upon hearing that you would be on our program, our listeners asked us to ask you: "If you think you can help resolve the conflict, why can you not help influence the FMLN to halt abuses and other (?atrocities)?"

[Ungo] "We do not wish to assume the role of godfather, of confessor, to hand out penance or absolution. I have said on many occasions that this is a teaching and learning process. We all teach and we all learn. I think the fighters themselves must learn, and I refer not only to the FMLN fighters but to the Armed Forces and the soldiers as well." The Army is to blame for a larger portion of what is reported. We regret that there is a war.

[Reporter] The public was polled about your image and that of Dr Zamora. "They responded, in the first place, that they viewed you as educated guerrillas and, secondly, as people who are dangerous to the country." This relates you directly to the war problem.

[Ungo] We are 5 million Salvadorans. Hardly 1.1 million voted in the last election. Of those, approximately 200,000 did not identify with any of the contending parties.

[Reporter] You say that the FMLN-FDR alliance is political. "Do you participate in some of the FMLN commanders' decisions to sabotage electricity or to destroy bridges, etc.?"

[Ungo] We do not participate; these are military actions.

[Reporter] This type of action has increased, and I think this is politically advantageous to your organizations.

[Ungo] "I think the war is not advisable for anyone." We sometimes ignore our people's intelligence. During the electoral process, the Christian Democratic Party, PDC, blamed the Nationalist Republican Alliance, ARENA, for kidnappings. "But the election results confirmed that the people did not fall for this." Why? Because everybody knows that the work of killing and oppressing is mainly done, particularly during the last few years, by the regime's repressive apparatus. "Yet we are not accusing the defense minister or the president of the Republic of having committed 50,000 murders, even though politically, in an organized state, they are responsible." The problem is to find a political solution to achieve peace.

"We have not closed our doors to that. It is the Reagan administration, the Salvadoran Army High Command, and Duarte's government that closed their doors."

[Reporter] "Excuse me, Dr Ungo, for interrupting you. If you say that the government is responsible for the punishment or for the investigations of those murders, would you be willing to give the same treatment to FMLN commanders?"

[Ungo] Of course. That is obvious. That is regulated by the Geneva convention, the United Nations, and the international community. This is an internal armed conflict in which the two sides have rights. The two sides have responsibilities and obligations. The two sides are participating in a war. Punishing only one side would be illogical. If that is the situation, why do we not agree to seek a political solution?

"Last year in September President Duarte said that negotiations should be held both in Nicaragua and in El Salvador." The only ones negotiating are Nicaragua and the contras. "The contras, who are subordinated to the CIA and paid by the U.S. Government, are showing a greater level of independence than the Salvadoran Army elite and President Duarte. They [the contras] are

negotiating their own interests and not Reagan's interests." "I believe that is a clear demonstration of ill will, incompetence, impotence, and a lack of political willingness and ability."

[Reporter] Dr Ungo, yesterday we met with Msgr Rosa Chavez, who is acting as mediator. "He said that each side obviously proposes a dialogue when it is most suitable for its own interests. He indirectly suggested that your current proposal is a tactical proposal."

[Ungo] I do not know whether he tried to say that, but I think that the church, which has more realistic interests, must make some realistic statements so as to not be on bad terms with the regime, whether capitalist or socialist. We have been permanently open for a dialogue. We have only postponed the dialogue once. The FMLN postponed that meeting in Mexico.

[Reporter] "What about the cease-fire?"

[Ungo] That was a unilateral decision, because we did not reach an agreement on a cease-fire. "Why did we not reach a cease-fire agreement? Because the government never presented any cease-fire proposal to us. Duarte said that the Army would end their offensive air bombings and long-range artillery attacks and asked the FMLN to stop its sabotage and to stop placing mines in various areas."

[Reporter] "We would like to know what led you to present your proposal precisely now when the parties you called to participate in the dialogue on 30 and 31 May, such as the political parties represented in the Assembly, are facing internal reorganization problems?"

[Ungo] We did not take those internal problems into account at that time. In any case, they seem to be temporary problems that are already being resolved. I am not pessimistic. Despite rejections, there are still several dialogue proposals, which means that several political organizations are aware of the need for a political solution through dialogue. This provides us with possibilities. "We are not only going to talk with Duarte, but also with ARENA." The dialogue is to attain understanding and political agreements. "If we are seeking political agreements for a national solution that will benefit the entire Salvadoran people, we cannot break with the FMLN."

[Reporter] "Dr Ungo, do you think that the possible triumph of ARENA in the presidential elections and the possibility of an ARENA majority in the Legislative Assembly would offer greater possibilities of attaining a negotiated political solution than would the PDC in a government leadership position and a majority in the Legislative Assembly?"

[Ungo] ARENA is putting up a moderate, democratic, even a progressive front. "We hope this is not merely a mask." It represents at this time a sector to be reckoned with, although it does not represent a national majority.

[Reporter] Yesterday we were talking about our president's personality and one of us said that the president will be judged positively by history because "he has made democratic openings." Do you believe or admit that at least freedom of speech or some other type of democratic freedom have been a result of his presidency?

[Ungo] I do not think so. In other eras the people did not kill each other as they do today during this president's term. Duarte and the government have been intolerant of the media. "They have said that we are given much more space and importance than we deserve because we are a two-bit group that represents nothing." About 2 years ago, the communications or deputy communications minister ordered that no opening be given to us. "Therefore, this happened despite the government." I think it also is, to a certain extent, because of the free competition, the pluralism that is developing in the media.

[Reporter] What is your view on the media problem? If you were in power, what would become of these channels?

[Ungo] "I think they have won the right to grow and develop. The problem is not an easy one. We have just heard that Guatemala's Christian Democratic government has closed a television channel, but no one is saying that the Guatemalan Government is a Marxist-Leninist government like the Nicaraguan Government. We feel that not only the media, but also the production sectors have a very important role to play in the country."

[Reporter] The FDR has a socialist ideology and the FMLN has a Marxist-Leninist ideology. Can the two ideologies merge in a government plan?

[Ungo] "You don't decree socialism; you don't decree capitalism. It is up to the people to decide what can or cannot be done." The media plays a very important role in this; it tells the people what they should or should not do. We encourage the people; we give them their voice. "We must not think of a socialist, democratic development in the short term." The political parties must grow and develop, become more nationalized, and contribute to the country's reconstruction.

[Reporter] Does this mean that you are renouncing certain ideological principles?

[Ungo] "I do not think we can build a country based on nationalist positions. We are not renouncing our principles; we know that not all dreams can come true at once." To reach the same levels of development that the European countries have attained would take us many years. We are realists, and "I do not think that there will

be a problem of ideologies." We have our ideas and we shall continue to build on those ideas. "A one-sided alternative is not possible in El Salvador; we are seeking a pluralistic alternative."

[Reporter] What will your participation in the upcoming elections depend upon?

[Ungo] We are thinking about the elections, and our excuse will not be a lack of time with which to prepare. We do not think that the conditions are right for us; the electoral system was drafted to affect us. "However, we do feel that we have increasing, important support. In a certain way, we are going to be one of the main factors in all the political decisions made regarding the elections." We are interested in an election that would serve as a political solution. "I am against a counterinsurgency plan; I believe in a people's plan."

[Reporter] Other parties are saying that they have the support of the people, but you are saying that you have the plans that the people support.

[Ungo] We do have much support. Some of our members want to start campaigning. "However, I feel that it is a bit soon." The elections must help resolve the political situation. If candidates such as Chavez Mena, Rey Prendes, or others win, we would see no change. "We believe in a political solution."

[Reporter] Will you be staying in El Salvador or are you planning on leaving?

[Ungo] I have some commitments abroad. This time I have come to stay a bit longer, "but this weekend I will have to leave the country for a few days. I will be attending a very important international conference on Central America that will be held in Costa Rica."

[Reporter] Have you heard of ARENA's national peace and freedom proposal? What do you think of it?

[Ungo] They have overlooked some of our important proposals. I think that "it could be positive if it were a sincere proposal." Duarte turned dialogue into a game. "I think ARENA has enough support to make its proposal feasible." However, I believe that they will have to consult other organizations. Several positive proposals have been presented to resume the dialogue—not only the dialogue among the parties in conflict, but also a national dialogue.

[Reporter] I heard you speak of the Christian Democratic Party as a party divided. Do you see a political future for the party?

[Ungo] I see something. "The party's rank and file are important." There are some party members who are confused and traumatized. If there is no reorganization within the party, then the "perestroyka" within the party will be very difficult. "If we compare the PDC with other parties, then it practically does not exist."

[Reporter] We have seen the various parties working to get the votes of more than a million citizens who were not supporting a specific party. How many of them do you think will support you?

[Ungo] "I think that there is a large sector of the people that identify with us." We are not talking about taking supporters away from other parties. "We know that the majority of the people are not pleased with those parties and the polls show this." The people want men and women with values and feelings. This is what we have and this could get us votes. "We would like to have votes; we want the elections," but there is more to it.

[Reporter] Is there a chance that this morning we interviewed a new presidential candidate?

[Ungo] If you ask my party, they will say yes, but there are other factors involved.

Says Situation 'Worsening'

PA0306032688 San Salvador Radio Cadena Sonora in Spanish 0300 GMT 31 May 88

[Report on interview with FDR President Dr Guillermo Manuel Ungo by unidentified reporter; date and place not given—passages within quotation marks recorded]

[Excerpts] According to Dr Guillermo Manuel Ungo, our country's situation is becoming more and more acute at all levels, and there is no chance for improvement. On the contrary, Dr Ungo says, the situation is worsening because of foreign intervention.

[Ungo] "The government continues to deteriorate politically, and there is an absolute lack of ability to govern. The Duarte administration has no future; all we can do is wait for it to be over. We have an executive branch that does not implement any real government platform, does not have any economic reactivation programs, and lacks the ability to achieve a political solution."

According to Dr Ungo, it is a contradiction that the government claims it does not have the sole responsibility for achieving peace in our country and that at the same time it argues it will not hold talks with the rebels because of various reasons:

[Ungo] "This is a completely normal and natural contradiction, because the government represents a political party. Political parties are partial expressions of a global reality. Therefore, the government is made ineffective by partiality and sectarianism and cannot reflect all trends. However, from its ruling position, it should seek to forget partial interests and should serve integrated or

global interests. Duarte's Christian Democratic government has lacked this capability. On the contrary, it has been incapable of even developing an alliance, and this is deplorable. [passage indistinct]. "

In Dr Ungo's opinion, each dialogue attempted in our country has played a significant role. The dialogues in La Palma, Chalatenango, Ayagualo, and the apostolic nunciature have been important, but not the attempt at Sesori, San Miguel Department:

[Ungo] "Each of those talks played an important role and were also a source of frustration. Both parties were very proud of the dialogue held at La Palma, and they both felt it was very positive; however, the results were modest." [passage omitted]

Dr Ungo feels that no agreement has been reached concerning a new dialogue between the FMLN-FDR and the Salvadoran Government for 30-31 May because the government is just toying with the concept of dialogue. [passage omitted]

[Ungo] "The government, and Duarte in particular, has a negative view of tactics. To him, tactics are synonymous with lies, and in this respect he believes the FMLN-FDR is simply using the dialogue to gain time, because they do not have a real disposition. Tactics, however, do not have that meaning. In general, I believe tactics are a matter of political realities. [Passage indistinct] For Duarte, tactics mean playing with the dialogue, using it for propaganda purposes, using the dialogue as a banner. That is what he has done. He wants to make a show, and he does not want anyone else to do the same thing. In other words, do as I say, not as I do.

"The best proof that he does not practice what he preaches is when last year he proposed an unacceptable proposal, a proposal everybody felt was not serious. That was when he set a condition for holding the dialogue in El Salvador: A dialogue in Nicaragua must take place—as though the fate of Salvadorans depends on what the Sandinists and the contras want to do. [Words indistinct] has already been told to at least be consistent; however, even though the Sandinists and the contras are having talks in Nicaragua, he has shown no interest in holding talks."

In addition, Dr Ungo explained low-intensity and high-intensity wars, and he stated that we are living a high-intensity war right now in El Salvador. [passage omitted]

[Ungo] "In a low-intensity war, the United States does not get openly and totally involved in the war they promote. However, for the Salvadoran people, this is a high-intensity war, because of its high economic, social, and human effects." [passage omitted]

"In this way the U.S. Government avoids the political and even military costs of a more open and direct participation. In other words, it avoids U.S. soldiers' having to give their blood and lives, which would result in a negative reaction; there would be rejection and repudiation from its own people, from the U.S. people, as in the Vietnam War." [passage omitted]

[Reporter] "Would your plan fail if the Legislative Assembly, the executive branch, and the Army say they do not agree with the FDR-FMLN proposal?

[Ungo] "First, it is difficult—and we are aware of this—for the Army to openly and publicly express its own opinion, because technically and theoretically it is under the executive branch. Therefore, it would have to accept whatever the executive branch decides. However, we sent our proposal to the three sectors: the executive branch, Legislative Assembly, and the Armed Forces."

Apparently, it has been said that the FMLN-FDR proposal was too hasty. However, Ungo said they had made that proposal a long time ago.

[Ungo] "First, the current disorder and crisis in the government is not our fault; it is their responsibility. The best way they could show their ability to govern is by resolving the crisis. However, the main, real, and true situation is that when we presented our proposal, we did not foresee the current disorder." [passage omitted]

According to Ungo, the rebels will always be open to a dialogue with the government in seeking solutions to the critical Salvadoran situation.

Power Outages Continue Due to FMLN Sabotage

PA0206180088 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 1 Jun 88

[Text] The country's power system has been seriously affected by continuing FMLN sabotage operations. As a result, the Lempa River Hydroelectric Executive Commission, CEL, has been forced to schedule extra power outages. The CEL reported that on the night before last, and again last night, the rebels sabotaged six 15,000-volt power lines that provide electricity to the metropolitan area of San Salvador. The sabotage forced the closure of the Soyapango and Nejapa substations, and Ejercito Boulevard, Soyapango, San Bartolo, Ilopango, the Anda pumping station, and surrounding areas have no power. The FMLN attacks occurred in Opico, Nejapa, San Antonio Abad, Soyapango, San Martin, and Cerron Grande. CEL crews began working early yesterday morning to repair the damage caused by the rebels, but their work is being hampered by the weather.

Meanwhile, the water level of the Lempa River has continued to rise. If this continues, an extra hour of power could be added sometime next week. The CEL once again has asked the Salvadoran people to understand that the power outages have become necessary because of FMLN sabotage and due to the drought. It has called on the people to continue conserving energy.

Guatemala

Cerezo Says Calm Returned to Country

PA0306011088 Guatemala City PRENSA LIBRE in Spanish 2 Jun 88 p 12

[Text] "Calm has returned, because the problems that had halted the democratic process have been resolved and activities are back to normal," President Vinicio Cerezo said yesterday when he was interviewed in Military Zone No 12 at Santa Lucia Cotzumalguapa, Escuintla.

"Peace is fundamental for a democratic society, because a government's stability depends on it," he added.

Regarding the decision to reopen Television Channel 3 [Radio-Television Guatemala] so it can continue its broadcasts, the president said he did so at the request of the Association of Guatemalan Journalists (APG) and the departmental journalists who participated in a seminar that closed 2 nights ago at the journalist headquarters.

"The request was accepted, and the television channel owners will be the ones responsible for the information that is broadcast, because according to the law those who destabilize the government will be punished," he said.

Closed Television Station Renews Operations

PA0206122888 Buenos Aires REUTER in Spanish 0212 GMT 2 Jun 88

[Text] Guatemala City, 1 Jun (REUTER)—Television Channel 3 and its "Here's the World" newscast renewed broadcasting after a 12-day suspension ordered by President Vinicio Cerezo's government.

Yesterday, the court provisionally backed the opposition "Here's the World" newscast, and last night President Cerezo promised 100 provincial reporters that he would reconsider the channel's suspension.

Today, the "Here's the World" 1-hour noon newscast was fully dedicated to criticizing the government for closing their station and said the measure was illegal. During the newscast, the announcers read the many protests issued by different Guatemalan sectors about the closing of the station.

The government had charged the newscast director of participating in the attempted 11 May coup d'etat and based its measure to close the station on Article 13 of the Inter-American Human Rights Convention, which prohibits all propaganda that favors war; national, race, or religious hatred; violence; or any other illegal action.

Christian Democrat Splinter Group Formed

PA0206211688 Guatemala City PRENSA LIBRE in Spanish 1 Jun 88 p 4

[Text] Guatemalan Deputy Otto Guillermo Baechli, secretary of the Congressional Rules Committee, has said that deputies, professionals, and young members of the Guatemalan Christian Democratic Party [DCG] have formed the Christian Democratic National Change Front [Frente Nacional de Cambio Democrata Cristiano]. He attributed this action to their dissatisfaction with the actions of some DCG leaders.

We decided to take this action, he said, at a meeting held to form a consensus on an external and internal proposal to be submitted to the DCG for consideration by the party's directorate.

He added: In making this decision we acceded to the requests of all of the country's rank and file members. They accused the DCG of being an electioneer party without permanent contact with its members and of seeking them out only at election time.

Baechli noted: We met recently with the Coatepeque neighborhood board. I told them that the movement we are creating is designed mainly to take care of the rank and file members in the interior. The board members commented favorably upon our questioning of the wrong "policy," which creates an elitist entity and not a popular party. That is why there are two DCG professionals and two youth-group members in the commission we set up.

He added: It bothers our fellow party members that people who do not belong to the DCG have been given jobs while our right, as deputies, to appoint people who have been working for the party for years is ignored.

He said the neighborhood board is concerned over the way the 8 percent earmarked for the municipalities is being spent since the accounting office has not supervised these funds. For example, he said, in El Pital village in Coatepeque the accusation was made that someone was paid for building a bridge that had already been built. Baechli added: We cannot verify this charge, but we are looking into it. There are 32 dissident DCG deputies in the group. We do not want candidates imposed on us. We want to have the option of proposing people who supported us during the elections for some posts.

Nicaragua

PCD's Sotelo Denies Involvement in CIA Plan

PA2805224588 Managua BARRICADA in Spanish 25 May 88 pp 1, 2

[Unattributed article: "Sotelo Denies Links With CIA"]

[Excerpts] Although he acknowledged knowing the U.S. National Endowment for Democracy "very well" and having exchanged documents with U.S. Embassy political officer Joan Creamer, Conservative lawyer Enrique

Sotelo Borgen [coordinator of the Democratic Conservative Party, PCD] has denied involvement in a new CIA plan to destabilize the revolution.

Sotelo, the only one of those mentioned in the plan who could be located by BARRICADA yesterday, said: "I do not know where they got such a lie from. It is not true; it is absolutely ridiculous." [passage omitted]

Responding to questions about this accusation, Sotelo denied having received "a single penny" from the M-22 [Movement of Mothers of Political Prisoners] for those purposes. Sotelo said, however, that the aforementioned Yankee foundation "is very well known and very prestigious. I know it very well, and it has nothing to do with the CIA."

Sotelo admitted that he has been accused on several occasions of receiving money from the U.S. Government to promote counterrevolutionary activities. He said: "I really do not know what they are talking about this time, because I am fully dedicated to my profession." [passage omitted]

Sotelo described the EL DIA report as "absurd" because, he said, "$20,000 is too little money to destabilize the revolutionary government...perhaps if they spend $2 million, it could be done...." [passage omitted]

Journalists, Politicians Demand Press Freedom
PA0206191188 Hamburg DPA in Spanish 1720 GMT 2 Jun 88

[Excerpts] Managua, 2 June (DPA)—Various independent radio stations in Managua have protested the Sandinist government's suspension of two newscasts broadcast on Radio Catolica and Radio Corporacion for 8 and 10 days, respectively. [passage omitted]

Meanwhile, journalist Allan Tefel, who works for "The Thought" newscast carried by Radio Noticias in Managua, was reprimanded for reporting the arrest of economic researcher Mario Alegria, who was accused of working for the CIA, according to the Interior Ministry.

Both Tefel and "The Awakening" newscast expressed concern over the closing of the newscasts. In addition, it was announced that a commission for the freedom of the press, composed of political party leaders and private media journalists, will hold a meeting in the next few hours to discuss the government measures.

A month ago, Lissette Torres, head of the Media Directorate, announced that the law regulating freedom of the press would be "strictly enforced," particularly with regard to reports concerning military activities, which must be confirmed by the authorities.

Journalists and political leaders have demanded from the Sandinist government respect for the Esquipulas agreements and complete support for the freedom of the press. The government has described activities carried out by some radio stations linked to opposition parties as "libertinism."

Finnish Agriculture Minister Arrives
PA0206184288 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 1 Jun 88

[Text] (Reijo Huronei), Finnish minister of agriculture and forestry, has arrived in Nicaragua for a 4-day official visit. During his stay, (Huronei) will meet with Commander of the Revolution Jaime Wheelock Roman, minister of agricultural development and agrarian reform, foreign cooperation officials, and Region 5 government leaders. The Finnish minister will also visit several agroindustrial projects, such as (La Completa), (Suritepe), El Espino, and the National Center for Genetic Studies in Ticuantepe.

In Region 5, (Huronei) will meet with workers of the Boaco and Achuapa dairy farm and the Sierra Azul cooperatives. The Finnish minister's visit is to establish the basis for future cooperation and collaboration projects between Finland and Nicaragua.

Panama

Guatemalan President Offers Mediation
PA0206182488 Panama City LA ESTRELLA DE PANAMA in Spanish 2 Jun 88 pp A-1, B-7

[Excerpts] Yesterday a mediation offer from Guatemalan President Vinicio Cerezo was handed to the Panama Defense Forces [FDP] Strategic Military Council by Allen Weinstein, president of the Center for Democracy, and Guatemalan diplomat Colonel Hector Rosales. [passage omitted]

The meeting between the Guatemalan president's representatives and the FDP Strategic Military Council was presided over by the council's president, Colonel Rogelio Alba. The meeting served to put across the FDP's view on Panama's political situation and the current state of relations with the United States.

The Authentic Panamenist Party [PPA], through a personal spokesman for Dr Arnulfo Arias, rejected a possible Latin American mediation to solve the current Panamanian crisis.

Spokesman Guillermo Endara said the party's position is strictly nationalist. He added that the PPA is not interested in any foreign intervention in Panama's domestic affairs, even if it comes from Latin America.

Endara said: "They are democrats who are very dear to and admired by the PPA, but they are foreigners, so we do not accept their mediation." [passage omitted]

Yesterday Weinstein met with General Manuel Antonio Noriega, FDP commander in chief. Weinstein said he had already met with opposition groups and Latin American leaders.

The 4-hour meeting took place at the Continental Hotel, and none of the 23 Panamanian military men attending, all members of the council, gave any statements to the press.

Weinstein said "Panamanians sit down and discuss their problems," but he avoided criticizing U.S. economic policies toward Panama. [passage omitted]

Sources from the Panamanian Christian Democratic Party said the party's president, Ricardo Arias Calderon, traveled to Guatemala accompanied by Carlos Arellano Lennox and Jose Antonio Sossa to speak with Guatemalan President Vinicio Cerezo about the Panamanian crisis.

Strategic Military Council Issues Report

PA0306004688 Panama City Telemetro Television in Spanish 2330 GMT 2 Jun 88

[Text] This morning the recently created Strategic Military Council issued to the General Staff officers and the commander in chief of the Armed Forces its first report, which involves fundamental aspects of national security. For the past 18 days this council has been functioning as an advisory body for both the General Staff and General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces, when decisions must be made, following the regular channels of any armed force.

Captain Lim Yueng, the council's public relations officer, clarified that there is no antagonism between the Strategic Military Council and the General Staff or the Panamanian military commander. So far, the council has not disclosed details of the report it issued to the commander in chief; it has kept the report confidential.

This same council received Guatemalan President Vinicio Cerezo's proposal to mediate in the search for a Panamanian solution to the national crisis and to promote a process of dialogue.

Solis Palma Greets DPRK Assembly Leader

PA0306032288 Panama City Televisora Nacional in Spanish 0000 GMT 3 Jun 88

[Text] President Manuel Solis Palma has met in a special audience with Honorable Parliamentarian Son Song-pil, vice chairman of the DPRK Supreme People's Assembly, who is on a goodwill tour of Latin America.

Son Song-pil told the president that he brought a fraternal message from DPRK President Kim Il-song, who had told him to greet Solis Palma and to express his friendship and solidarity with the Panamanian people and government in their nationalist struggle in defense of their right to self-determination and total sovereignty. He [not further identified] also denounced to the world the U.S. trade, military, and political aggression against Panama.

Radio Constitucional on Noriega, Politics

PA0306021688 [Editorial Report] (Clandestine) Radio Constitucional in Spanish to Panama at 1230 GMT on 2 June broadcasts a 20-minute newscast reporting "the news as it should be told."

After a brief report on the continued closure of the newspaper LA PRENSA by the Panama Defense Forces, FDP, the station describes the government as "naive" for believing that by returning to a normal work schedule it can create the impression that things have returned to normal. In fact, the station says, government employees have no money for lunch and "can barely scrape up nickels to pay for transportation." Meanwhile, the station says, the ruling Democratic Revolutionary Party continues to squander money. In reference to a meeting of the Women's Single Front Against Aggression, the station asks: "How much did that meeting of communist women at the Atlapa Convention Center cost?"

Turning to another subject, the announcer says: "It would be very difficult to repeat Nicaragua's experience in Panama. There they held elections without the participation of the opposition and elected a twisted military man as president. If they insist on doing this, the slogan is: Do not go to the polls."

Identifying itself, the station says: "Radio Constitucional is here to tell you the truth about what is happening in our country." Since many Panamanians do not have a radio to hear the truth that is being hidden by the "narcomilitary Noriega regime," the station urges that radios be played at full volume so everyone will know that "there is a free voice in Panama prepared to take risks and to fight for democracy, justice, and freedom."

Referring to the general's "latest brainstorm," the station says Noriega wants to hold a plebiscite to keep the present regime in power for another 5 years. "Let anyone who still thinks there can be free elections forget it," the announcer says. He urges Legislative Assembly President Alberto Aleman Boyd to stop playing Noriega's game by advocating elections.

On another subject, the announcer says that Foreign Minister Jorge Ritter appears to be using the "same hallucinogenic pills" as Noriega, since Ritter told the nonaligned countries in Cuba that it is necessary to "wipe out the will to use human intelligence for deleterious purposes."

Turning to comments by the head of the present regime to the effect that proper conditions do not yet exist for the printing of paper money, the station says: "To the extent that we decent Panamanians allow these scoundrels to

continue usurping power, they will proceed to create the necessary conditions, and it would not be surprising if one fine day the dollar totally disappears as the circulating currency and the 'narcopineapple' [reference to Noriega's nickname of 'Pineapple Face'] appears."

Noting that Camilo Gozaine, a PRD leader whom the station describes as a "well-known contrabandist," has threatened to file a suit for slander against opposition legislator Arturo Vallarino, the station derides the charge and other attacks on Vallarino, saying: "Speaking of slander and libel, the present directors of the government controlled Editora Renovacion publishing company will have to answer those charges for the campaign that its newspapers have launched against First Lady Mariela Diaz de Delvalle."

Ending the newscast, the station announces its broadcast schedule, followed by a "Special Civic Crusade" announcement that 9 June will mark the Crusade's 1st anniversary. "Reiterate your support for it. Repudiate Noriega's dictatorship. Prepare to fight until the narcotyranny is wiped out," the station says. It notes that this is also the 17th anniversary of the murder of the priest Hector Gallego "by Noriega's hand."

After announcing a church eucharistic event on 5 June, the station proceeds to the segment called "Narcogossip," in which it says that Noriega's lawyers are already making payoffs, this time to Ralph McGee, who "after receiving $78,000 from those who are defending the narcomafioso general, suddenly resigned from the CIA."

In the next station identification, the station says that it is broadcasting from Panama City, "a city of 700,000 hostages of Noriega."

The broadcast closes with a summary of press agency reports on Panamanian events, followed by a 3-minute station commentary describing President Reagan's address to students at the University of Moscow as a "true jewel, not just of oratory, but of democratic concept," which should be heard by all Panamanians, especially "the young military men," so that they can know why, in this new world, that "the force of arms no longer has a place except for those who have lost the trust of their fellow men."

The station signs off with slogans calling for resisting the "repression of narcomilitarism," and "long live democracy."

Bank Restrictions Extended for 3 Months

PA0306013788 Panama City Televisora Nacional in Spanish 0050 GMT 3 Jun 88

[Text] The National Banking Commission decided at this afternoon's meeting to extend for an additional 3-month period the restrictions on the fixed-term deposits, restrictions that should end tomorrow, according to Decree No 8-88.

The Commission has also authorized the banks to issue deposit certificates that can be purchased by the fixed-term deposit holders for certain business transactions.

This measure keeps the fixed-term deposits in the banks while the customers have a choice of whether or not to use the deposit certificates for their business transactions, up to a limit of $1,000 per certificate.

PDC President on 'Dramatic' Banking Situation

PA0206152688 Panama City Circuito RPC Television in Spanish 2300 GMT 31 May 88

[Statement by Ricardo Arias Calderon, president of the Christian Democratic Party (PDC); date and place not given—recorded]

[Text] I have reliable reports that in the first 3 months of this year, the banking system's total assets declined by 30 percent more than they had already declined last year. The same reports indicate that total deposits declined by $7.6 billion and that, as a result, loans to the local economy declined by $4.8 billion in those 3 months. This means that the banking system is becoming paralyzed and, as a result, the economy is also coming to a halt.

In human terms, this is a dramatic situation. Information that I have gathered indicates that in the first 3 months of the year, 1,200 Panamanians lost their jobs in the banking system. Those people earned $12 million in salaries and represent 13 percent of all banking employees. Last Friday alone, in three or four banks, some 200 additional employees were dismissed. This means that the situation is continuing and that it remains serious.

If this situation is prolonged through 1988, my sources estimate that 40 percent of bank employees will lose their jobs: 4 out of every 10 bank workers. The situation is dramatic.

I believe that the basic cause of this situation is the lack of a political change, a democratizing political change, because this banking and economic crisis is not based on a truly financial or economic cause, but a political one. For this reason, I take the opportunity to make yet another appeal in the name of the Christian Democratic Party for a democratizing political solution to be sought, one that responds to the Panamanians' cry for justice and freedom. Without such a change, we will not be able to avoid a catastrophe and we will not be able to rebuild our economy, as all Panamanians would like.

Molirena Leader on Election Participation

PA0206155888 Panama City Circuito RPC Television in Spanish 2300 GMT 1 Jun 88

[Statement by Alfredo Ramirez, president of the Nationalist Liberal Republican Movement (Molirena); date and place not given—recorded]

[Text] Undoubtedly, the main objective of all political parties is to participate in electoral contests, to struggle in elections to gain power. However, Molirena feels that under the present circumstances, one would have to be an idiot to participate in the elections.

In Panama, the minimal conditions needed to guarantee pure and honest elections that reflect the people's true will do not exist. It is necessary to make substantial, in-depth changes in government structures in order to even think about honest elections in 1989.

In the first place, Molirena has maintained that it is necessary for the Defense Forces to remove themselves completely from the country's political life and definitely and completely remove themselves from any political power that exists or that may be created in the future.

Second, there must be the organization, creation, or emergence of a government of national reconciliation that could be truly neutral in presiding over truly honest elections. There has to be official neutrality. It is impossible to continue talking about government and opposition parties in the next elections. It is necessary to establish that government of national reconciliation which, acting in a neutral way, can preside over truly honest elections among all the political groups that wish to participate.

Until these basic conditions exist, I believe that Molirena cannot speak enthusiastically of participating in the elections. However, we will continue struggling to have those conditions established. We hope that those objectives, those goals, and that reorganization are achieved. In such a case, I am sure we would participate very successfully in the elections.

Venezuela's Perez Remarks on Crisis Criticized

PA0206230288 Panama City Circuito RPC Television in Spanish 2300 GMT 1 Jun 88

[Statement by Jose Raul Molino, member of the National Civic Crusade; date and place not given—recorded]

[Text] I have read, with some concern, the statements made by former Venezuelan President Carlos Andres Perez regarding the Panamanian crisis. I think that the solidarity the Panamanian people are requesting of the free and democratic peoples of Latin America is an overall type of solidarity. Panama's current situation cannot be viewed as the result of foreign or U.S. intervention. Panama must be viewed as a country without democracy, a country without laws and rights, and a country where its people are struggling for things that are much more important than mere intervention, as the official sectors call it. If they are going to give us their solidarity, then it should be to help us resolve the crisis by means of real changes within Panama's official system. Otherwise, their solidarity would be useless and nothing would be achieved.

France, Spain, Mexico, Deliver Medical Aid

PA0206230688 Panama City Domestic Service in Spanish 1645 GMT 2 Jun 88

[Text] Several countries have continued to lend aid to Panama in view of the economic and military aggression it has been subjected to by the United States.

Yesterday, the French Government delivered a significant amount of medical and surgical supplies to local health authorities for use at the Aligandi Hospital, San Blas. The delivery was made by Jacques Rummelhardt, the French ambassador to Panama.

In addition, the Spanish Government will send essential medicine valued at 9 million pesetas—about $80,357—to meet the people's most urgent health needs.

The Mexican ambassador to Panama recently delivered 12 tons of medicine to the Panamanian Health Ministry, in accordance with the recent SELA decision.

Creation of Stock Exchanges Authorized

PA0206192688 Panama City LA ESTRELLA DE PANAMA in Spanish 1 Jun 88 pp A-1, A-2

[Text] The government has authorized the creation of stock markets in the Republic of Panama, which will be established and will operate under the provisions in Decree No 44 of 31 May 88—signed by President Manuel Solis Palma and Commerce and Industries Minister Mario A. Rognoni—and under the internal regulations for stock markets approved by the National Securities Commission [CNV].

The decree states that stock exchanges can be established under any of the forms of business partnerships, provided that those entities have been organized solely and exclusively for the creation and operation of stock markets and that the appropriate documents have been duly registered at the National Registry.

Legal entities that have not been authorized by the CNV to operate stock exchanges in the Republic of Panama may not use the term "stock exchange" or terms derived from it in any language, on its behalf, in the partnership agreement, in the trade name, as a description or denomination on the letterhead, invoices, stationery, announcements, advertisements, or in any other way that gives the impression that the enterprise is a business authorized to operate a stock exchange.

Notaries public may not authorize or issue documents granting registration or amendments to partnership agreements of corporations whose activities or objectives include the term "stock market" activities without the previous and expressed authorization of the CNV. The regulations set forth in this paragraph are applicable to the public registrar concerning the registration of the aforementioned documents.

Corporations engaged in stock exchange operations shall keep at the end of the 1st year of operations a paid capital of not less than 250,000 balboas.

This minimum capital should consist of assets free of taxes which should be kept in the Republic of Panama.

The following documents are negotiable:

a. Bonds, promissory notes, and other obligations issued by the state and municipal, state, autonomous, and semi-autonomous institutions;

b. Stocks, bonds, promissory notes, drafts, and other liabilities of corporations;

c. Stocks, certificates, mortgage deeds, real estate certificates, collateral-trust bonds, savings certificates, and other obligations issued by financial institutions;

d. Bonds and obligations issued by foreign states and their institutions, international institutions, and foreign corporations.

e. Any other securities suggested by the stock exchanges and approved by the CNV.

Decree No 44 of 31 May 1988, which regulates the creation of stock markets and regulates their installation and operation, annuls Executive Decree No 38 of 11 September 1984 and will be in effect at the time of its publication.

Argentina

Alfonsin Outlines Foreign Debt Proposal

PY0106010788 Buenos Aires TELAM in Spanish 0003 GMT 1 Jun 88

[Text] New York, 31 May (TELAM)—We are sending the text of the speech delivered by President Raul Alfonsin tonight in New York at the Council of the Americas:

Five years ago the Argentine people began the transition from instability and authoritarianism to representative democracy. In 1989, for the first time in 60 years, a democratically elected president will hand over the government to another president also elected democratically. This is how we are reviving freedom in Latin America, where the people are striving with great force after the principles and values that belong to Western history.

The Argentine institutional reconstruction has been a very demanding task. While we were reestablishing guarantees under the law, we also had to heal the wounds of the past. We also tried to define a new direction for the country. We had to take care of demands that had not been fulfilled for a long time. This has been without any doubt an extraordinary experience.

Now that the initial enthusiasm has passed and we have to face the political and economic problems of reality, I would like to say that we have arrived where we are now thanks to a great spiritual force that drives the Argentine people.

The problems we had to overcome were many. The first problems were of a political nature. Reestablishing the rules of civilized coexistence and the institutions of democracy was not an easy task. However, individual rights have now been assured, political activity takes place within a pluralist framework, and the relations between the different sectors that make up national life are filled with a desire for national reconciliation.

Democratic Argentina has also made a firm commitment to the peaceful resolutions of conflicts. In the last few years we have placed our relations with other countries within a framework of reliability based on the defense of peace and international cooperation. In other words, the country I represent wants to be a reliable partner with the other nations of the world.

The second problem is a challenge of an economic nature. When we came to the government, we realized that the aspirations of progress and well-being of our people could not be fulfilled in accordance with the style of development we inherited. As the proposals of the past revealed their limitations and our knowledge of the problems grew more thorough and concrete, we decided to implement a coherent and ambitious reform program. Coherence and ambition are what Argentina needs to stop being a country of contradictions, a country full of human and natural resources which, despite those assets, has not been able to develop its full potential.

A basic element of our program is the belief that a greater Argentine participation in world trade is a precondition for sustained growth. In the past, and for some time, the Argentine economy was able to grow under the rules of a semi-autarchic model. But this style of development went on too long. The time has come to put away the short-sightedness that stagnated us while the world was expanding markets and going through the technological revolution.

With these goals in mind, our reform program includes:

A. First of all, a foreign currency exchange policy that would make it attractive to invest and produce for the international markets.

B. Second, we began a significant commercial deregulation aimed at changing an indiscriminate system of industrial protection based on quantitative restrictions to imports. In a short time we were able to reduce from 65 to 37 percent the manufacturing production that was protected by that system of quantitative restrictions, and that percentage will soon be reduced to 15 percent.

C. Third, we are reviewing the tariff system in order to get an average tariff of 30 percent with few differences between products.

Another key point of the program of structural changes we are trying to implement is Latin American integration aimed at creating large-scale economic activity. In this regard, we support and will continue to make multilateral and bilateral proposals to develop cooperation with the countries of the region.

The program for structural change will not end with Argentina's integration with the rest of the world, and especially with Latin America. It also requires decisively undertaking the reform of the state. Our society has withdrawn into itself, demanding that the state undertake many things at any cost. Under governments of the most diverse ideologies, the state tried to become the guarantor for production and growth through the creation of public enterprises in the industrial and basic services sectors, or through large subsidies to the private sector.

Subsidies and the regulations have stopped innovation and creativity. Argentines have no alternative: We must implement a process of growth that is closely associated with private investment, with less support for state enterprises, and less tax and credit privileges for the private sector, or we will simply perpetuate inflation and stagnation.

The state reform that we are implementing is based on the following policies:

A. The first is a policy of dismantling the market monopolies in which state enterprises have been operating up to the present.

B. The policy of privatizing is the second instrument for state reform. This policy has two variations. One is the sale of packets of shares, such as in the case of the transfer to the private sector of the petrochemical enterprises that are currently run by the Defense Ministry. The second is the incorporation of private capital into state-run service enteprises, such as the case of the national airline, which has negotiated an investment by Scandinavian Airways [preceding two words in English], and of the national telephone company, which will receive investments from the Spanish telephone company.

C. Another policy is one that will increase efficiency in an overall manner, especially in the public enterprises with very large structural deficits, in order to stop them from being a very serious drain on public finances.

D. Other objectives are fiscal discipline, the rationalization of the administration, decentralization, and the expansion of federalism.

What I have just described, together with strict legal and currency exchange guidelines, permits us to stress today that investment in Argentina now finds a framework of potential development that is significantly greater than that of past decades.

The effort of the Argentine people is clearly directed internally at securing stable rules of the game, and externally at reinserting the country into the community of nations by acting within the system and by complying with the country's commitments, although this path has been largely blocked due to the absence of a new and imaginative attitude on the part of creditor countries regarding the foreign debt.

Within the current context, the problem of the foreign debt has for us three negative consequences.

A. In the first place, we have the impact of the net transfer of resources that are sent abroad. This means the effort made by Argentines is not at their disposal to be channeled into their investment and welfare needs.

In addition, and as the foreign debt has been assumed by the state, it is a burden on public spending, which in turn means that tax pressure has to be increased, with the consequent negative repercussions on the private sector's accumulation of capital.

B. In the second place, we have the unfair conditions. The fiscal imbalances of the industrialized countries are transferred to our economy, which thus has to face high interest rates and the scarcity of new funds, as though we were responsible for this. We are willing to assume our obligations, but do not ask us to assume the obligations of others. We are not responsible for the deterioration of the trade terms that results from protectionist policies and from subsidies of the industrialized countries.

c. Finally, I must mention that the short-term nature of the foreign debt negotiations generates an atmosphere of uncertainty that conspires against the task of economic reconstruction.

For 6 years the debtor countries have negotiated the following guidelines proposed by their creditors. This has provoked stagnation and a sharp decline in investments and imports. It has also had an adverse effect on international trade and on the growth of the creditor countries themselves.

It appears that today it will be more difficult to restore a voluntary credit system in the financial markets than when the crisis started. The declining value of the debt on the international markets and the increasingly tight measures adopted by commercial banks are tangible proof of this.

I believe we still have time to find a realistic, negotiated, and lasting solution to the foreign debt problem.

I have come here to make some proposals in this regard, convinced there are people who are aware of the need to act promptly. I hope these proposals will be endorsed by those who are not satisfied with just exchanging views or staying idle while everything leads to disaster as a result of a system that has become obsolete.

I am absolutely convinced that what is not accepted today will be imposed tomorrow by the sheer force of facts. If this happens, all parties concerned would by then have already sustained extensive damage.

It must be understood once and for all that the foreign debt is not an exclusively economic problem. It is a political problem that is related to the consolidation of democracy in the region and to the security of the hemisphere. The history of this century has shown us the varying political consequences stemming from the ways of addressing international economic problems. These consequences, which are always dramatic, can be sometimes catastrophic and sometimes positive. The two post-world war eras clearly showed us the various options. We need proposals and solutions on the foreign debt that would make new investments feasible and that would promote a faster pace of growth and well-being for the debtor countries.

We need proposals and solutions that would allow us to envisage a stable future. Investment, growth, and reliable planning are the three basic preconditions of our proposal. These preconditions are based on the principle advocating shared responsibility among all the parties involved: the debtor countries, the governments of creditor countries, international organizations, and commercial banks.

Obviously, a permanent solution to the foreign debt problem must take into account the specific situation of each debtor country.

We, as a debtor country, know that although the foreign debt restricts our growth, it is also true that urgent structural changes must be implemented to overcome a development system that has become obsolete.

We have outlined the program for structural reforms to which our government is committed. Let me now discuss the role of the other parties in accordance with the following proposal:

Commercial banks: A 4-percent interest rate will be paid annually during the first 3 years on the total of the rescheduled foreign debt estimated in U.S. dollars. Beginning with the 4th year, the reduced rate will be applied to 90 pecent of the debt, and market rates will be applied to the ramaining 10 percent. This ratio will continue to change until the 8th year, when a reduced 4-percent rate will be paid on 50 percent of the debt, and market rates will be applied to the remaining 50 percent.

The principal will be repaid in 30 years. This payment will have the backing of the World Bank through co-financing operations that will include partial guarantees. The debtor country will earmark for this operation those resources stemming from an improvement in its terms of trade.

The payment of interest rates will also be supported through co-financing and/or guarantees by the World Bank for successive periods in accordance with agreements to be made by the debtor country with that organization, related to programs of structural reforms.

In our case, within the context of this proposal, we would be willing to expand the quota of conversion of the foreign debt. We would especially prefer the conversion involving new investments and the expansion of the country's export capacity.

Governments of the creditor countries: History shows it is during crisis situations that the long-range vision of the large countries prevails over short-range restrictions. Nowadays we need from the large creditor countries the same long-range vision they showed in the past by adopting flexible and coherent policies to facilitate the role that the other sectors involved must play. We need policies that would favor investments in debtor countries, regulation policies that would not penalize commercial banks for resolving basic problems, and especially that the imbalances of their economies be prevented from being transferred to the debtor countries.

In the Paris Club the debt contracted before the 1982 crisis will be refinanced in the long term under conditions compatible with the commercial banks. The interest rate applicable to this debt in U.S. dollars will be 4 percent a year.

International organizations: International organizations must recover the leading role they played during the postwar period. To do that, it is necessary for them to extend financing, to adjust conditions to more realistic objectives, and to play the role of catalyst in reducing the burden of the foreign debt.

Within this context, they will grant financing in such a way that there will be a positive transfer of net resources to the debtor countries; in other words, that the new disbursements must be larger than that which is paid back in capital and interest on the current debt. In this respect, the debtor country will undertake a program of structural reforms in the medium term that is compatible with short-term macroeconomic balancing.

This proposal outlines our expectations. No matter what results are achieved in the short term, we will maintain our firm conviction that a permanent solution must be found once and for all for the foreign debt within a context of growth. Let us do it now, when the maturity of all those involved will allow us to seek rational and negotiated answers.

We must not allow the forces of economic and political realities to make us forget prudence.

Addresses UN Arms Session

PY0106233488 Buenos Aires Domestic Service in Spanish 1459 GMT 1 Jun 88

[Speech by President Raul Alfonsin before the UN General Assembly special session on disarmament in New York—live]

[Excerpts] Mr President: We are motivated to be here by the unique responsibility of asserting the right to life. Our presence today attests to our people's awareness of this situation and the need for solidary action that will make it possible for men to affirm their most vital creative capability over forces that can drive them to their own destruction. A world dominated by the senselessness of a nuclear weapons buildup can never be conducive to a lasting relaxation of tensions, nor to peace and progress of peoples. The arms race not only directly compromises the normal development of relations among the nations, but affects the world's economic growth by imposing limitations on the ability of all countries to develop themselves, regardless of their wealth, or whether they manufacture or import weapons, or their decision for alignment, or their preference for neutrality and nonalignment.

Today the volume of military investments far surpasses 5 percent of the world's gross product and amounts to more than 25 times the sum of assistance that industrial countries give to developing countries. The contrast between the military budgets of the major powers in this decade and the transfer of investment capital from developed countries to

less developed countries has dramatically increased. How long can the structure of the international community sustain such profound contradictions?

The security of nations also requires minimum conditions of well-being and development, both social and economic, which have not yet been established in most cases. This situation is made worse by the nuclear arms race, which calls for costly development of new technologies, including systems in space and the manufacture of new weapons that can be used with the precision of a surgeon's scalpel, which raises the dubious idea of limited nuclear conflicts. Many have been repeating over and over that a new world war has been averted thanks to the nuclear arsenals. The fallacy of a truth that cannot be proved threatens to turn into reality the falsehood such a fallacy contains, thus provoking a nuclear holocaust. I ask myself and I ask you, are not the positions used by the states that possess nuclear weapons to justify the possession and use of nuclear arms based on the premises that human existence is senseless and useless, by considering it in terms of nameless masses that can be controlled or destroyed, with total disregard for life?

The totalitarian essence of that vision raises fears for the future of the earth and the men and women who inhabit it. This only reaffirms my conviction in the need to guarantee a sustained process of disarmament, which would dissipate the climate of tensions. This can be done not through nuclear deterrence, but through a rational position that will ensure survival for everyone. We are in fact living through times that could be conducive to a climate devoid of tensions.

The United States and the Soviet Union have expressed in words and in some concrete actions, which we appreciate, their will to carry forward a process of bilateral nuclear disarmament. The summit now being held by President Ronald Reagan and General Secretary Mikhail Gorbachev in Moscow serves to enhance our appreciation. Let us hope this new summit will strengthen the foundations for prompt conclusion of an agreement for important reductions in strategic nuclear arsenals and for significant advancement on other disarmament issues on the bilateral agenda.

However, the picture of multilateral negotiations for disarmament is not all that encouraging. The disarmament conference has not yet managed to advance on the three priority issues that were established at the first extraordinary session in 1978: cessation of the nuclear arms race; prevention of nuclear war; and the ban of all nuclear weapons tests.

We are not setting our sights on the impossible, since the negotiation of a convention to forbid the use of chemical weapons offers a clear example of the possibility of carrying forward a disarmament process at this multilateral forum, if there is a political will to do so. As for chemical weapons, I want to assert before this assembly that Argentina does not have an arsenal of such weapons and that it will continue to commit all its efforts so that a convention on chemical weapons can be concluded.

In August 1986, when we set in motion the initiative of six nations, we offered our cooperation for verification of the cessation of nuclear tests. The objective of the Group of Six nations was to render multilateral assistance so the deadlock on bilateral negotiations on disarmament could be overcome. We believed then and still believe that the multilateral treatment of this issue is the best guarantee of genuine disarmament and the promotion of peace and security among nations.

Imbued with the same spirit that inspired the initiative of the Group of Six, we believe this is an opportune time to suggest that a multilateral system be established within the United Nations for verification and disarmament agreements. We surmise that such an initiative, upon its implementation, will constitute a concrete measure to reinforce the multilateral system so that the disarmament process can be facilitated. [passage omitted]

Motivated by the same desire for peace, and consistent with the UN Charter, my country contends that a broad dialogue with an open agenda and without preconditions should be initiated with the United Kingdom concerning the dispute over the territory of the Malvinas, South Sandwich, and South Georgia Islands and adjacent ocean waters. Such a dialogue might create conditions to facilitate the start of negotiations, which is the only method, I insist, that Argentina can consider to recover its sovereignty over those islands and ocean waters.

No less important to the cause of peace is openness on military matters. Like many other UN member countries, Argentina annually submits a report on its military expenditures to the UN Secretariat, as was appropriately recommended by the UN General Assembly. I believe measures like this cannot be underestimated as a concrete contribution to efforts intended to prevent the appearance of focuses of international tension. [passage omitted]

Meets Japan's Takeshita

PY0206174088 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2047 GMT 1 Jun 88

[Text] New York, 1 Jun (NA)—Japanese Prime Minister Noboru Takeshita has promised Argentine President Raul Alfonsin that he will present Latin America's foreign debt problem at the summit of the "Group of Seven" Western industrialized nations in Toronto, Canada, in July, based on the "global solution" that Argentina proposed in New York on 31 May.

According to Argentine presidential spokesman Jose Ignacio Lopez, after meeting Alfonsin at the Intercontinental Hotel last night, Takeshita stated that "conditions are appropriate for expanding Japanese investments in Argentina."

Takeshita and Alfonsin also discussed Japan's strategy to recycle the funds available through Japan's foreign trade surplus. Some of these funds could be channeled to Latin America.

The Argentine presidential spokesman also reported that today Alfonsin met Netherlands Prime Minister Hans van den Broek, to whom he delivered a copy of the proposal on the foreign debt.

Lopez added that Alfonsin instructed Caputo to send a copy of the proposal to the foreign ministers of the powerful "Group of Seven" industrial countries. This group comprises the United States, the FRG, Italy, France, Great Britain, Canada, and Japan.

Lopez confirmed that the meeting at the "Council of the Americas" on 31 May was attended by, among others, Robert Gelbard, U.S. deputy assistant secretary for inter-American affairs.

At noon today Alfonsin greeted the members of the Argentine permanent mission to the United Nations, whose offices are located on the 15th floor of the UN Development Program building, in front of the Crystal Palace.

Departs for Spain

PY0206225688 Buenos Aires TELAM in Spanish 2241 GMT 2 Jun 88

[Text] Buenos Aires, 2 Jun (TELAM)—At 1930 today (Argentine time) President Raul Alfonsin departed New York for Spain, it has been reported by government house.

Tomorrow in Madrid Alfonsin will sign an agreement for complementary economic action with Spanish Prime Minister Felipe Gonzalez.

Caputo Comments on Alfonsin Falklands Remarks

PY0206194488 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1850 GMT 2 Jun 88

[Text] New York, 2 Jun (NA)—Argentina is willing to accept "any political-diplomatic proposal" to resume the talks with the United Kingdom that have been interrupted since the 1982 conflict, as long as the proposal "will not involve preconditions that will raise negative precedents" for the Argentine sovereignty claim over the Malvinas Islands.

This remark was made here today by Foreign Minister Dante Caputo, clarifying press reports interpreting President Raul Alfonsin's reference to the Malvinas Islands issue in his speech yesterday at the UN General Assembly special session on disarmament to mean that Argentina would accept the resumption of talks with London on the basis of formulas that would not explicitly or implicitly involve the sovereignty issue.

In remarks to reporters accompanying Alfonsin on his private tour through the United States, Caputo pointed out that "the only thing we cannot accept is that a possible contact between Argentina and the United Kingdom would involve raising negative precedents for our sovereignty claims."

Alfonsin's reference to the Malvinas Islands issue in his speech yesterday, which was dedicated to the disarmament issue, "reiterates positions that the government has adopted on several occasions and for many years," Caputo explained.

Caputo said that "on several occasions we have said we are willing to begin talks in which no issue is excluded." He added that the meaning of Alfonsin's proposal is to resume talks "without any preconditions."

Caputo stressed that "we would not accept the precondition of ignoring the sovereignty issue."

Caputo said that "we are willing to agree to any form of political-diplomatic mechanism for resuming the dialogue between the two countries," adding that "the methods for achieving this objective could be any that one could imagine."

"The only thing that cannot be accepted is that the dialogue should involve the creation of any kind of precedent to the detriment of our sovereignty claim," he added.

He stressed that "we would even agree to an insistence on rapprochement formulas that have already been used, if they can make negotiations feasible."

He noted that "the possibility of designing new methods or reiterating formulas that have already been put forward can never work to the detriment of the sovereignty issue, and this is the meaning of the words that the president spoke yesterday."

Asked whether there was any British reaction to Alfonsin's call yesterday, he replied that "there has been none so far, and we did not expect any."

"The message Alfonsin delivered yesterday was not addressed to the United Kingdom, but to the 159 members of the UN General Assembly, which evaluates the willingness of each state to negotiate," he added.

Caputo recalled that since 1985 the Foreign Ministry—including through communiques—"has used the language" that Alfonsin used yesterday to refer to the South Atlantic conflict, stressing that "we have always believed that a preparatory dialogue is different from the negotiating process."

He concluded by saying that "we are willing to resort to all the available opportunities for [words indistinct] of all Argentines to recover our sovereignty over the Malvinas Islands in a peaceful manner."

Jaunarena on U.S. Ties, Lehman Remarks

PY0106235288 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1138 GMT 1 Jun 88

[Text] Buenos Aires, 1 Jun (NA)—Defense Minister Horacio Jaunarena has stressed that relations with the United States "have not deteriorated" due to remarks by former U.S. Navy Secretary John Lehman, who stated that U.S. aid was essential for the United Kingdom in winning the Malvinas war. Jaunarena also stated that "there is still no decision" as to whether the Navy will participate in the "Unitas" maneuvers.

The minister believes that Lehman's remarks have not disturbed bilateral relations because there is "a maturity between the two countries that is guided by common interests in a series of issues."

Jaunarena added that "personally, I do not believe this type of remark can deteriorate relations built on the basis of the reciprocal knowledge of our history, our present, and our future."

Regarding the information that the United States provided on the basis of its knowledge of Argentina's war potential that was obtained through continual naval maneuvers, the minister stated that "it is not necessary to participate in a 'Unitas' operation for one party to gain knowledge of the other's potential."

He stressed that the continuation of the joint naval maneuvers, in which the Argentine, U.S., Brazilian, and Uruguayan Navies participate, "has not yet been decided, but it will be considered at the appropriate time."

In this respect, he added that "the Navy is currently participating in an operation called 'America,' which is a different type of maneuver than 'Unitas.'"

Jaunarena made these remarks during a visit he made on the afternoon of 31 May to the General San Martin Military Factory, where he inspected the production lines of military communications equipment, military and civilian telephone equipment, various types of armored vehicles, and subway cars.

Jaunarena also announced that on 3 June a series of announcements will be made regarding the enterprises that are managed by the Defense Ministry.

He stated that "really, it will be more than announcements. It will be a kind of recapitulation of what we have done, of what we are doing, and of what we can do. We will also give details of the measures we plan to implement in the petrochemical sector."

Bolivia

Defense Minister Revollo Says Borders Calm

PY0206170488 La Paz PRESENCIA in Spanish 27 May 88 p 7

[Excerpt] Defense Minister Alfonso Revollo has called incorrect reports concerning the possibility of foreign intervention at the country's borders. He said tranquillity and normalcy prevail throughout Bolivia.

Concerning reports on this issue disseminated early this week, especially those coming from the Peruvian border area, Revollo told PRESENCIA "there is no intervention or guerrilla activity."

Revollo spent 2 weeks visiting border military units, inspecting them to determine barracks requirements. He said: "The inspection tour and the talks with the commanders of border military units yielded positive results." [passage omitted]

Interior Minister on Cocaine Processing

PY0206175288 La Paz EL DIARIO in Spanish 24 May 88 p 1

[Excerpts] Juan Carlos Duran, minister of the interior, migration, and justice, has said the government is concerned that over the past few years the areas producing coca leaves have become important cocaine-processing centers.

The minister said: "Formerly, cocaine was processed by people involved in drug trafficking. Large quantities were transported in drums, even to Pando Department. Now, most of the cocaine is processed in the same areas where the coca leaves are produced."

The minister said the government is concerned about this situation. He added that Jorge Alderete Rosales, the Interior, Migration, and Justice Ministry under secretary for social affairs, referred to this issue when he discussed the control exerted by drug traffickers in several towns in the Chapare area. [passage omitted]

The minister reported that on 22 May the special antinarcotics forces seized 1/2 ton of cocaine sulfate in a town in the Chapare area and arrested 10 people, including a person described as "important." [passage omitted]

Brazil

Assembly Approves 5-Year Term; Sarney Comments

PY0306013188 Brasilia Domestic Service in Portuguese 2200 GMT 2 Jun 88

[Excerpts] Early tonight the national Constituent Assembly approved the 5-year term for President Sarney. [passage omitted]

The leftist parties and the Senator Mario Covas-led bloc tried fruitlessly to filibuster the vote. [passage omitted]

When informed about the approval of the 5-year term, President Jose Sarney told journalists:

[Begin Sarney recording] I do not think there is much for me to say. I believe that a person who is governing a country must administer realities. This moment's truth is that the Constituent Assembly showed its confidence (?in me) and approved an amendment that allows me to govern the country until 1990.

I receive and accept the Assembly's decision with the same sense of duty I had when I assumed the office and the same responsibility with which I have been complying with my duties as the president of the Republic.

We have two huge tasks before us. The first one is to conclude the transition to democracy and to consolidate this democracy, which presents the most important task in the current history of this country.

To write and promulgate a new constitution is not a goal in and of itself. We must create the conditions in the country required for the constitution's implementation. We must thus approve the complementary laws, adapt the current state constitutions to this new one, and hold presidential elections next year. These elections must be held in an atmosphere of peace and democratic freedom, without any risk, so that I can hand to my successor a country that is really free from the dramatic crisis that I have had to experience.

The other huge task concerns the economic sector. It consists of reintegrating the country into its historical tradition of growth, to maintain economic development, to avoid recession, to reintegrate Brazil into the international financial community, and to conclude the profound changes the country needs in the economic sector by modernizing its economic apparatus.

We have put an end to the economic policy that called for the replacement of imports. We now have a new path to tread. This path consists of preparing the national structure for the great challenges of the 21st century. We must get ready to face the great challenges of the worlds of science and technology.

To conclude, I must say that, in my opinion, the decision of the national Constituent Assembly will not bring forth splits; very much the opposite. I believe this decision will give birth to a greater national solidarity. It will expand the areas of consensus, and thus allow us all to contribute to the solution of the great problems and challenges that the country will have to face.

This is how I feel: I feel humble but confident because I have confidence in our country. From now on, I must comply with the duties of my position with even more responsibility, because I must now live up to the confidence the national Constituent Assembly has placed in me. This decision gives me the obligation to conclude the transition to democracy in the same way I have been doing so far, no matter how great the difficulties.

We cannot lose our hope, which should become a certainty, that we will reach a good port in our struggle against difficulties. Thank you all very much. [end recording]

Sarney Comments on New Industrial Policy

PY0206014088 Brasilia Domestic Service in Portuguese 2200 GMT 1 Jun 88

[Excerpt] The meeting of the Brazilian-U.S. Businessmen's Council ended in Brasilia today. In the afternoon the participants were received by President Sarney.

President Sarney stressed the importance of Brazilian-U.S. relations and said our country is getting ready to participate in the world economy.

[Begin Sarney recording] The new industrial policy is the result of a decision made 2 years ago. It has been developed and made a reality at this time. The state covered so much ground that it became exhausted. Today we have to admit we are in no condition to continue interfering in sectors that are outside the domain of the government. This is a turning point in Brazilian economic history. We have completed the phase of replacing imports with national products, and we are now preparing our national industry to participate in an increasingly competitive world. We encourage our businessmen to grow and become stronger, internally to benefit our consumers, and externally to better compete in an increasingly aggressive world market. [end recording] [passage omitted]

Soviet Official Signs Transport Sector Protocol

PY0206015188 Brasilia Domestic Service in Portuguese 2200 GMT 1 Jun 88

[Text] Brazil and the Soviet Union have strengthened their cooperation with an agreement in the transport sector.

Jose Reinaldo Tavares, transportation and public works minister, and Vladimir Burmistrov, Soviet deputy foreign trade minister, have signed a protocol for the construction of the Trans-Northeastern Railroad.

The Soviets will finance the construction of the railroad in exchange for Brazilian products. Their main interest is to share Brazil's experience in computer software for controlling the transport of goods by railroad.

The two countries are also interested in the exchange of information on the manufacture of transport equipment.

Trucks Sold to Angola; Libya Negotiating

PY0206225588 Sao Paulo FOLHA DE SAO PAULO in Portuguese 31 May 88 p A-6

[Text] Brasilia—Sao Paulo ENGESA [Specialized Engineers, Inc.] has sold 2,000 military trucks to the Angolan Army. ENGESA also manufactures the famous Cascavel armored vehicle (equipped with a 90-mm cannon) and the Urutu troop transport vehicle. The man in charge of negotiating the deal—closed last January—was Army Colonel Jose Antonio Pires Goncalves, brother of Army Minister Leonidas Pires Goncalves. The Angolan Armed Forces, approximately 50,000 strong, is involved in a real war against the guerrilla movement known as UNITA [National Union for the Total Independence of Angola].

ENGESA is also negotiating a sale of its armored vehicles to Venezuela and Libya. However, problems exist that need to be resolved before ENGESA can sell anything to either one of these two countries. The Venezuelan Army wants the Brazilian vehicles to be equipped with radios built by the Israeli company Tadiran. ENGESA does not favor that idea because any association with Israel could affect the company's good relations with Middle East countries, where ENGESA has a variety of interests.

ENGESA is currently trying to sell to the Libyan Army the Osorio tank and the Surubi-2 vehicle, a "tank-catcher" equipped to gauge the amount of radioactivity in the atmosphere. The vehicle is equipped with new suspension and wider tires. A Libyan mission visited Brazil early this year to see the Osorio tank. ENGESA is studying the possibility of small modifications in the tank design, such as a change in the communication system.

Libya is interested in some rocket models that ENGESA will manufacture through its subsidiary Orbita Sistemas Aeroespacials SA, a firm created in January 1987 with Embraer [Brazilian Aeronautics Co.], IMBEL [Ordnance Industry], and a group of other minor firms.

ENGESA is currently working in the development of two missiles for the Army: an antitank missile built with the technology of the Italian firm Oto Melara, and an antiaircraft missile built with the British technology called "Thunderbolt."

Delivery of AMX Fighter Delayed

PY0206025888 Brasilia Domestic Service in Portuguese 220 GMT 1 Jun 88

[Text] The construction of the AMX fighter plane developed by Embraer [Brazilian Aeronautics Co.] in a joint venture with Aermachi of Italy will suffer changes in its delivery schedule.

The Brazilian Air Force will receive six planes in 1989 instead of eight, as previously scheduled.

This was reported by Embraer President (Osirio Silva). The program has already consumed nearly $1 billion. It provides for the construction of 317 planes for the Brazilian and Italian Air Forces.

Chile

State of Emergency Extended; Media Restricted

PY3105194088 Santiago Domestic Service in Spanish 1700 GMT 31 May 88

[Excerpts] As of today, the state of emergency has been extended for 90 more days in all regions, provinces, and communities of the country. This is stated in National Defense Ministry Supreme Decree No 782. [passage omitted]

Another supreme decree establishes that during the period in which the state of emergency is in force, the media will be submitted to the following restrictions:

The media must abstain from publishing opinions or news that go against Article 8 of the national Constitution. Article 8 establishes that it is illegal for people or groups to spread doctrines that offend family principles, promote violence, or support a totalitarian system of society, of the state, or of the legal order. It also establishes that class struggle is illegal.

Public Meetings To Require Authorization

PY0206140388 Santiago Domestic Service in Spanish 2300 GMT 1 Jun 88

[Text] The office of the chief of the zone in the state of emergency has issued edict No 54 announcing that under the state of exception, any public meeting must be authorized and that the request for authorization must be submitted 15 days beforehand.

The edict, which was disclosed through the Public Relations Department of the Army, states:

Taking into account:

1. The security measures necessary to safeguard the legal exercise of the right of assembly;

2. The effective protection that the authorities must grant those individuals who legally exercise their rights;

3. The need to coordinate actions of the security forces to ensure the achievement of these objectives and the authority and legal duties I have in my capacity as chief of the zone in the state of emergency of the Metropolitan Region and San Antonio Province, I hereby order that:

1. As long as the current state of emergency is in force, any public meeting will require the authorization of the chief of the zone in the state of emergency.

2. Requests for the aforementioned authorization will be submitted to the chief of the zone in the state of emergency, in five copies, 15 days beforehand. Requests must be signed by at least two people, duly identified, with their full names, addresses, and identity card numbers. Should the request be submitted by a legally recognized organization or an organization in the state of formation according to the law currently in force, it should be signed by their respective legal representatives. Moreover, the people making the request should state whether they are fully acquainted with the terms of this edict.

3. Those people who sign the request for authorization will be held legally responsible for any consequences stemming from the authorized event.

Signed: (Jorge Penque Quiroz), chief of the zone in the state of emergency of the Metropolitan Region and San Antonio Province.

Pinochet: Plebisicte Should 'Reaffirm' Powers

PY2805175288 Santiago Domestic Service in Spanish 0930 GMT 28 May 88

[Text] President Augusto Pinochet has said the objective of the plebiscite referred to in Article 27 of the Constitution is to give the people an opportunity to reaffirm the president's power so he can continue the work that began on 11 September 1973 and so that full democracy can be reached. He added that this democracy must be strong, renewed, and participative, instead of the formal, unstable democracy of the past that led to the crisis of 1973.

The president made these remarks in a speech in Temuco, where he visited for several hours to meet the people and dedicate the new facilities of the (Rosen) industrial plant, which account for an investment of more than 5 million pesos and which are part of one of the more modern plants in South America. The president, who traveled to the Araucania region with his wife, was given a warm welcome at a lunch attended by 1,500 people at the Agricultural Promotion Society headquarters. In his speech, Pinochet called on the Chilean people to join efforts to support the continuation of the government, reiterating that the yes vote in the upcoming plebiscite will open broad opportunities for progress and for our children. In part of his speech, the president said:

[Begin Pinochet recording] The objective of the plebiscite referred to in Article 27 of the Constitution, in its temporary regulations, is to give the people an opportunity to reaffirm the president's power in order to continue the work that began on 11 September 1973. This will allow the creation of a full, strong, renewed, and participative democracy, instead of the unstable, formal democracy of the past, which led us to what we suffered on 11 September 1973. Despite the fact that this (?situation) is totally clear, the same politicians—those who paved the way for Marxism-Leninism, those who were members of the Popular Unity—have now reappeared as if they were saints or [words indistinct]. [end recording]

After the reception, the president, his wife, and his entourage returned to Santiago.

Mrs Pinochet carried out a separate agenda, including a meeting with a volunteer organization, before which she warned that if we make a mistake in the upcoming plebiscite, we will be in an irreversible situation, because there will not be another 11 September in Chile.

Merino Comments on Lifting State of Emergency

PY0106032188 Santiago Radio Chilena Network in Spanish 2300 GMT 31 May 88

[Text] This afternoon Admiral Jose Toribio Merino announced that the state of emergency will be lifted 30 days prior to the date set for the plebiscite. He made the announcement at the end of a regular session of the government junta. [recorded passage indistinct]

Regarding allegations by opposition members that the extension of the state of emergency will jeopardize the upcoming electoral process, Merino said: If the opposition believes the state of emergency will jeopardize the electoral process, that means the state of emergency is good.

Merino said no agreement was reached this afternoon by the government junta to approve a draft law converting the State Maritime Enterprise, Empremar, into a corporation. He said he objects to making the privatization of Empremar result in the sale of all its stock. [recorded passage indistinct]

Merino said the state must have a company that controls maritime traffic. It is impossible, he said, to impose the appropriate rules on private enterprises.

Praises Government's Record

PY3005150588 Santiago Domestic Service in Spanish 1030 GMT 30 May 88

[Text] Yesterday in Talcahuano Admiral Jose Toribio Merino Castro, Navy chief of staff and member of the Government Junta, said that the best guarantee for the current regime, now that the plebiscite is nearing, is the fact that it has given the people 14 years of tranquillity. Merino said he is entirely convinced that Chileans, who have now experienced 14 years of peace and tranquillity, will choose to continue living in peace and tranquillity. He added that, undoubtedly, this is what the current regime has given the people: prosperity, peace, and tranquillity. He said the best propaganda for the current regime is provided by the barbaric acts of the communist humanoids.

Adm Merino made these comments at the end of a ceremony in which military Bishop Msgr Joaquin Mates Varas dedicated the new Navy chapel of Las Canchas district. The religious ceremony was celebrated by Army, Navy, and Carabineros chaplains.

Rear Admiral Eduardo Alvayav Fuentes, commander in chief of the 2d Naval Zone, said he hopes this new chapel will help strengthen brotherly ties of faith and love of God. He also said he hopes the concept of common welfare is strengthened, thus giving the people the necessary strength to preserve the basic principles of Christianity, which are the pillars that support our country.

Opposition Leader on State of Emergency

PY0206238888 Santiago Radio Chilena Network in Spanish 2300 GMT 1 Jun 88

[Text] It would be a mockery if the government lifted the state of emergency just before the plebiscite was held. This has been said by Sergio Molina, coordinator of the Movement for Free Elections.

The leader termed as very inconvenient the extension of the state of emergency.

[Begin Molina recording] The information released by high-ranking officials leads one to believe the date of the plebiscite is very close. This is why the extension of the state of emergency for 90 days—in other words, until the end of August—has, in our opinion, no explanation, and it is very inconvenient.

It is our belief that it would be pure mockery if the government lifted the state of emergency just before the plebiscite was to take place. A reasonable and prudent period is needed during which the freedoms of expression and assembly are fully in force if the plebiscite is to be considered really valid. [end recording]

Molina also referred to the participation of active members of the Armed Forces in politics. He stated that such a situtation compromises organizations that due to their apolitical nature must remain impartial where politics are concerned.

Molina said another thing that affects the dissemination to the public of information on the various positions regarding the plebiscite is the behavior of Channel 7, which up to the present has not allowed the opposition to use its facilities.

The leader maintained that due to its national coverage this channel must inform the country in an impartial way.

Finally, the coordinator termed as positive the government's decision to allow the return of 25 exiles.

Labor Leader on 'Self-Inflicted Coup' Chances

PY3105013988 Santiago Radio Chilena Network in Spanish 2300 GMT 30 May 88

[Text] Manuel Bustos, president of the National Workers Command [CNT], has warned that the military could stage a self-inflicted military coup and described as very serious Junta Member Fernando Matthei's latest remarks.

Bustos was referring to Matthei's remarks that Chileans might have to start from scratch again. [recorded passage indistinct]

Bustos said some strange things have happened that make one think of a self-inflicted coup. In this regard, he cited remarks by Admiral Jose Toribio Merino and Defense Minister Patricio Carvajal.

The president of the CNT has stressed that there are unconditional sectors of the regime that are presumably disseminating the possibility that the plebiscite may not be held because they know that they are going to lose. The only way that they can promote the regime is to cancel the plebiscite and provoke a self-inflicted coup, Bustos said.

List of Exiles Allowed To Return Released

PY3105192288 Santiago Domestic Service in Spanish 1700 GMT 31 May 88

[Text] Directly from the Interior Ministry, Graciela Contreras reports for us.

[Contreras] At noon today, this ministry released a list of 25 exiles who will be allowed to return to the country, among whom, the most important are former Ministers (Jackson Shull), Dagoberto Insunza Barrios, Adonis Ramon Sepulveda Acuna, and Americo Gustavo Zorrilla.

At 1215 today, the Interior Ministry released this list, with the names of the following people who will be allowed to return: Marina Espinoza Roman, Julio Baldomero Gomez Bitamiglio, Fidelisa Herrera Herrera, Sergio Dagoberto Insunza Barrios, Nimia Elena Jake Pena, Desiderio Haberley Batavio, Andres Fernando Marquez Bugueno, Jose Miguel Marquez Bugueno, Luis Ricardo Moreno Zamora, Agustin Ricardo Munoz Vergara, Reinaldo Eduardo Olivares Palma, Gabriela Arturo Parada Paravechino, Rudecindo Pinchadin Suarez, Juan Segundo Romero Saravia, Raul Sanchez Banado, Adonis Ramon Sepulveda Acuna, Maria Cecilia Suarez de Ingarti, Mario del Carmen Valenzuela Gonzalez, Juan Humberto Diogenes Vargas Puebla, Ramon del Carmen Villalobos Sarena, and Americo Gustavo Zorrilla Rojas.

That is the full list of 25 people who will be allowed to return to the country by a decision of the Interior Ministry.

That is all from the Interior Ministry.

Ministry: Economic Adjustment Not 'Appropriate'

PY3105022688 Santiago Radio Chilena Network in Spanish 2300 GMT 30 May 88

[Text] This morning the Economy Ministry issued a communique stating that general economic adjustments are not appropriate.

The ministry believes the Chilean economy is showing positive signs of development and has promising prospects. The communique states that the economy is generating an important increase in real earnings all by itself, and the introduction of general adjustments would not be appropriate. These adjustments would affect the positive process created by the increased dynamism in the economy, the document says.

The report includes figures from the National Institute of Statistics showing that in the last 12 months real earnings increased by 2.5 percent and employment is up by 3 percent.

According to the Economy Ministry family income increased by 5 percent in real terms during the period of the study. Workers income must be in accordance with company productivity rates, the document states.

Any initiative to grant a general adjustment would be very harmful to the Chilean economy. It would also create financial problems for companies by generating instability and uncertainty which would affect economic progress, the document adds.

The Economy Ministry stressed that it would be regrettable if general adjustments were implemented just as the problem of unemployment has been overcome.

Finally, the document says there will be a moderate increase in real income during the year.

Survey Shows Yes Vote Winning Plebiscite

PY0106191688 Santiago Domestic Service in Spanish 1700 GMT 1 Jun 88

[Text] Attorneys William Thayer and Guillermo Bruna have described as very correct, objective, and accurate the latest preliminary survey conducted by the University of Chile on the upcoming plebiscite.

Of a total of 19,200 people questioned in 10 Chilean regions, 36.2 percent supported the yes vote, 29.1 percent supported the no vote, and 34.7 percent had no opinion.

Guillermo Bruna said the yes vote is supported by an overwhelming majority in the regions, especially by the lower socioeconomic class, because former governments have not done as much for low-income citizens as this government.

Concerning the people who had no opinion, Bruna said that there still is a lot to do in this field, especially among the middle class. He said a victory of the yes vote is the only way to continue the current process.

Attorney William Thayer has said that the support for the yes vote encourages the legitimate hope that it will win in the plebiscite.

Thayer said that in the regions, the people have clearly understood the meaning of the huge task performed by the current administration of President Pinochet. However, the main cities are usually involved in political and ideological discussions, in propaganda, and in excessive and contradictory information, he said.

In conclusion, Thayer said a victory of the yes vote would mark the beginning of a period of full democracy, liberty, and unity among all Chileans.

PDC Leader Aylwin Comments on Plebiscite

PY3105193788 Santiago ANALISIS in Spanish 23-29 May 88 pp 30, 32

[Interview with Christian Democratic Party (PDC) Chairman Patricio Aylwin by ANALISIS Reporter Monica Gonzalez—date and place not given]

[Excerpts] [Passage omitted] [Question] You have said that, had you known what was going to happen to Chile when you were elected chairman of the Christian Democratic Party in 1973, "you would not have agreed to take responsibilities for a corpse." Last year you were again elected chairman of your party. Are you not afraid that you will have to bury a corpse?

[Answer] I have confidence and I am optimistic about (?the future of the country). I believe the no vote has many supporters and that the people are losing their fears. I trust that the tragedy will not occur again.

[Question] Do you still believe that, with 6 million people registered for the plebiscite and an opposition sector program, it would be possible to force Pinochet to negotiate with you, as you said he would in 1987?

[Answer] The gentleman proved to be more stubborn than I expected. I thought he would want to negotiate when he realized that he was going to be defeated in the plebiscite. Pinochet, however, does not want to face the fact the he is going to be defeated. For this reason, it is clearly impossible to negotiate with him before the plebiscite.

[Question] Your candidacy program stated in 1987: "The objective is to succeed in holding free elections, during which we believe that Pinochet's regime will be defeated." Do you still believe that?

[Answer] No, I do not. The victory of the no vote at the plebiscite is necessary but not sufficient to open the path to democracy. That is why the no vote agreement pact establishes: "Once the no vote wins, the political parties must reach an agreement with the Armed Forces on the appropriate way to grant a swift, orderly, and peaceful transition to democracy."

[Question] To want to negotiate is one thing, but to be able to negotiate is another thing. Do you believe you will really be able to negotiate with the Armed Forces?

[Answer] Yes, I do. The victory of the no vote in the plebiscite will be an entirely new event. They are totally convinced that the great majority of Chileans support them and give as an example the 67 percent of the votes they received in the 1980 plebiscite. No matter what restrictions we place on this plebiscite, if 60 percent of the Chilean people vote no at the plebiscite, they will know they are a minority.

[Question] The response you have been receiving from the Armed Forces so far is a display of shiny, steal corvos [short curved machete], a government campaign being financed with funds obscurely obtained—as your party has reported—no opening, and a great number of offenses against you. Do you still believe you will negotiate with these same military men?

[Answer] I do not know if it will be with the same military men. If the no vote wins, however, the most fanatic military men will have to occupy other positions and leave their current ones to more reasonable people. Besides, this is the response of some members of the Army. Members of the other branches of the Armed Forces have rejected the possibility of modifying the Constitution now, but have said clearly that it can be modified later.

[Question] You insist on placing trust in the honor and dignity of the high chiefs of the Armed Forces. In your party, however, you have denounced the "immoral intervention" of these same chiefs in the electoral campaign. After all, do you or do you not trust them?

[Answer] Personally, I have criticized the attitude of General Serre, General Badiola, and other high-ranking officers, all of them Army officers. They are General Pinochet's fans, his trusted people, his unconditional supporters. Nonetheless, the victory of the no vote is a fact that not even they, themselves, can ignore, and that the members of the other branches of the Armed Forces will have to make them understand.

[Question] Taking into consideration that the Army has been in power for the last few years, do you believe that if the Air Force, the Navy, and Carabineros agreed to leave power they would be able to make their will prevail over that of the Army?

[Answer] The Army has been in power on the premise that they are complying with the wishes of the majority of the Chilean people. If a plebiscite shows them they are wrong, the situation changes, even including within the Armed Forces.

[Question] Reality shows that if high-ranking chiefs give an order, this order is obeyed no matter how wrong it may prove to be. Have you not noticed that Matthei says something 1 day, and 3 days later denies it?

[Answer] If we say Pinochet and his supporters are ready to have their way, without taking into consideration the will of the people, we will be saying the plebiscite is a great fraud. In the democratic sectors we believe that, so far, the mechanisms created by the regime's Constitution, in its attempt to make the image of the plebiscite more legal, will allow us to control the process through party overseers and thus prevent the fraud.

[Question] Do you believe Pinochet will be able to govern the country 1 more year if he is defeated in the plebiscite?

[Answer] I have clearly said we cannot believe that a man who has been rejected by the people in a plebiscite will continue to govern the country. Therefore, in the no vote agreement pact we establish that free presidential and congressional elections must be held within the shortest period of time.

[Question] Is a fundamental modification of the Constitution what will be negotiated with the Armed Forces?

[Answer] Exactly. That has to be done so that in the shortest time possible we can have direct elections for the nation's president and congressmen, who will be elected by the people and have representative powers. This means the Constitution should be reformed. In addition, exclusions based on ideological considerations will have to be eliminated and the rules for forming political parties will have to be broadened.

[Question] What if the Armed Forces say no at the time because they want to continue implementing the provisions of the 1980 Constitution?

[Answer] We will cross that bridge when we come to it. We will act according to the circumstances. If the no vote obtained 70 percent it would not be the same as if it obtained 52 percent. Our negotiating stance, the possibility of being denied the reforms, or the capacity of the regime to resist will vary according to the result. If the no vote wins and the Armed Forces withhold their support for constitutional reform, we would be confronting a regime sustained only by sheer force.

[Question] What would you do then?

[Answer] The country will become polarized and the moderate sectors—that is, those of us who seek peaceful and rational solutions—will be pushed out of the picture. I am not a man to resort to guerrilla warfare... [passage omitted]

[Question] I would like to ask you a question that many Chileans who doubt that Pinochet will surrender power would like to ask: What will the opposition do if it wins?

[Answer] I know many Chileans wonder about that. But we will get nowhere by discussing that now, because all we are interested in now is the victory of the no vote.

[Question] As president of the opposition's largest party, are you prepared to deal with the difficult situation that will be created if you win?

[Answer] I try to be. I think it will be a very difficult negotiation that will demand all of our willpower, the agreement of all opposition sectors to act as a team, and a great rallying power to obtain the support of the people. I know that we will need courage, decisiveness, cool heads, and a lot of control in what we say. I understand all this and try to prepare as well as I can.

[Question] Many people doubt the opposition has the decisiveness and courage to do what has to be done. Can these people trust that Patricio Aylwin will not accept a designated congress and will not negotiate the democratic system?

[Answer] They can be sure of it. Otherwise, I would not be here. I think it is also the will of my party. [passage omitted]

[Question] If fraud is committed during the plebiscite, are you conscious that you will have to lead the moral stand and organize the forces for the no vote against it?

[Answer] I admit that if I am carrying the banner of the no vote I will have to gather the courage for the great responsibility of leading those forces. [passage omitted]

[Question] Have you considered that if the government stages a self-inflicted coup you would be among those affected by repression?

[Answer] That is very possible, but he who does not accept risks will not achieve his goal.

[Question] Are you prepared to face this type of repression?

[Answer] No one could ever say he is prepared to endure hardships. No one is prepared to face torture, not even exile. I have often thought that I could be an exile, because a politician must assume certain tasks and duties. In a democracy, if one is not doing well he can always go back to private practice. I had my law office, my cases, and my teaching job at the university. Now I could not go back to those things and I could have an extremely hard time in my old age, that is, if I have one...because everything could simply end for me...

[Question] Will the end of the dictatorship bring a major change in your life?

[Answer] Yes, but I am not struggling so much for my own sake, because I have not suffered that much. I may have suffered emotionally from seeing the country falling apart and human rights being violated, but I personally have not been a victim. I believe life will change in Chile as soon as the dictatorship ends.

[Question] You made the following remark in November 1987: "To negotiate a peaceful transition to democracy with the Armed Forces following a victory of the no vote, the opposition should be able to make a proposal to the nation." Is this proposal ready?

[Answer] Extraordinary progress has been made. The socioeconomic agreement for the no vote has established clear guidelines. The pact for the no vote has also established similar guidelines. Furthermore, some parties—like ours—have endorsed a basic government program and have been more specific as to what a transition government, its policy, and its base of support should be like.

[Question] Do you believe your party and the Almeyda-led faction of the Socialist Party could agree on an alternate plan for a transition government?

[Answer] We, the signatories of the socioeconomic agreement, are aware that it is designed to make the nation governable and that we all must observe its guidelines whether we are in the government or in the opposition.

This pact does not entail a commitment that we should all rule together. Now, in my opinion, the ideal government would be one that encompasses all national sectors, including some right-wing sectors that are still not with us.

[Question] Would you prefer, then, to make a deal with those who have supported dictatorial governments instead of those who could become a threat to you?

[Answer] I would not move any further to the left. This is not a matter of preference. I believe we would have better chances of creating a broad coalition government if we leave the two extremes out. If we move too far to the left, right-wing sectors will make it very difficult for us to rule. It would be very difficult to have a broad-based government with the Communists.

[Question] What will happen if the Communist Party decides to join the agreement for the no vote?

[Answer] The Communists are free to support any formula they deem reasonable. I have clearly stated that my party is not considering a political pact with the Communist Party. That is final.

[Question] What was the purpose of your trip to the United States?

[Answer] I went to convey my message. I did not go to ask for anything or to sell anything. I simply went there and said: You are listening to one side of a story, and I want you to hear the other side of it. You should have confidence in the Chilean democrats.

[Question] Do you think the United States will support with all its might the restoration of democracy in Chile?

[Answer] What a question you are asking me! The United States is a very complex country. There are many groups in the United States. I believe some U.S. sectors will support this effort with all their might, others will support it only halfheartedly, and still others will not support it at all.

[Question] With what sectors did you talk there?

[Answer] With all those I could talk to. I spoke to representatives of the government, Congress, business, universities, and the press. I discharged my duty. Some people may have understood me, some just said only some nice words, and others, like Mr Elliott Abrams, just turned a deaf ear to me. [passage omitted]

[Question] You once made this remark: "We must dispel the notion that we want to have a man from our ranks lead this process." You added: "I am not planning to be president of Chile." What do you think today of the many proposals you are receiving to become the candidate of the supporters of the no vote?

[Answer] I still maintain—and reaffirm it every day—what I said at that time. I feel honored by the trust bestowed on me by some political adversaries who might at least have some reasons to have doubts about me. I think they believe I am sincere when I say that I do not want to be a candidate, that I will not be a candidate. [passage omitted]

FPMR Official on 'Fradulent' Plebiscite

FL2605210288 Havana Tele-Rebelde Network in Spanish 1221 GMT 26 May 88

[Text] Concerning the position that the Manuel Rodriguez Patriotic Front [FPMR] will take on the fraudulent plebiscite organized by Chile's military regime for late this year, journalist (Greta Ilus) has interviewed a representative of the Front who, for security reasons, asked not to disclose his identity.

[Begin video recording showing hooded man] [(Ilus)] (Reinardo), what is the Front's position on the plebiscite organized by the fascist military dictatorship for late this year?

[(Reinardo)] Our principled position was demonstrated in the manifesto issued by our organization on 14 December 1987, in which we made clear that we reject the regime's action because we consider that this is a fraud to keep Pinochet and his whole dictatorship in power. We favor free elections with the participation of all Chileans over 18 years old, without exclusions, without a state of emergency, without Article 8, and, therefore, without Pinochet and his regime.

In pursuance of these free elections, we are promoting the formation of a great patriotic movement of liberation, whose objective is to establish true popular sovereignty. This will only be possible through the struggle and organization of the Chilean people. We must prepare for this.

There are a lot of people who sincerely believe that Pinochet will be defeated in the plebiscite. We do not condemn the compatriot who so believes with this kind of honesty. However, there are traditional parties who do know what this fraudulent plebiscite will lead to. The Chilean people and the Manuel Rodriguez Patriotic Front are fighting and will fight for a no that will signal the immediate end of Pinochet and his regime. We consider this no as the driving force for our actions, for our fight, and the same applies to the Chilean people. We do not consider it a voting instrument. It is the historic no that has been present in all the people's protests and social mobilizations against the dictatorship.

[(Ilus)] What kind of activities will the front carry out in regard to this electoral fraud?

[(Reinardo)] We want to once more reiterate that all our political and military actions are designed to effect a radical change in the political, institutional, economic, and judicial order, and to eliminate all the objective bases that may make it possible for a another regime similar to this one to emerge. These political-military actions have been demonstrated in all the support we have provided to mobilizations by women, shantytown dwellers, students, workers, and, lately, railroad workers.

In regard to the plebiscite, this action seeks to do everything possible to defeat Pinochet's aspirations to stay in power through fraud.

[(Ilus)] Though you favor the no, this will also be accompanied by some protests, by popular uprisings. Or hasn't the Front anticipated or planned this kind of task or action during the fraudulent elections?

[(Reinardo)] Our actions are political-military. We feel that there are political junctures, and we see them reflected in what we conceive of as the process of accumulation of forces. We again want to make clear that the no is a fraud. Therefore, our participation in this no is what we were saying was the faithful image and reflection of all the actions that the people of Chile, their political organizations, and their political-military organizations have been carrying out since 11 December, when the military dictatorship was established. [end recording]

Independent Command for Yes Vote Created

PY3005192788 Santiago Radio Chilena Network in Spanish 1700 GMT 30 May 88

[Excerpt] An independent command for the yes vote has been created under the general coordination of businessman Jorge Fontaine, who released a public statement

announcing the creation of the group. The statement says the upcoming plebiscite is a challenge for all Chileans, who will have an opportunity to approve and permit the continuation of the revolutionary institutional change that has been quietly carried out over the past few years. This successful performance must be continued by those who accomplished it. That is why in the plebiscite we will support and we will give the victory to the candidate proposed by the commanders in chiefs of the Armed Forces and the director of the Carabineros. We ask that Captain General Augusto Pinochet Ugarte be designated candidate, the statement adds.

In it statement, the independent command addresses the commanders in chief of the Armed Forces and the Carabineros director with the following words: You have the mission of choosing the candidate, and we have placed all our confidence in your decision. We just want you to know that many of us Chileans want Gen Pinochet as our candidate. [passage omitted]

Ambassador to Washington on U.S. Concerns
PY2805185588 Santiago Domestic Service in Spanish 1700 GMT 28 May 88

[Text] Yesterday Felipe Errazuriz, Chilean ambassador to the United States, commented on the participation of Cuba in the UN Human Rights Commission. Errazuriz is in Chile to discuss the situation of the country with government authorities.

The ambassador said the U.S. Government, like many other governments, closely follows the economic progress and true institutional improvement of the country and is concerned about the tide of terrorist activity in the last few months, as well as the repeated statements of some politicians who want to return to the years of the Popular Unity.

[Begin Errazuriz recording] There have been clear indications lately of a deterioration in the political situation. This is being followed closely in the United States and other parts of the world.

Naturally, they are concerned about violence, terrorist attacks, and statements of Chilean politicians who want to return to the years of the Popular Unity.

Basically, though, the impression they receive is of clear economic progress and true institutional advances. [end recording]

Regarding the participation of Cuba, along with Panama and Colombia, in the UN Human Rights Commission, Errazuriz said Cuba should practice respect for human rights before joining any commission.

U.S. Donations 'Insolent Intervention'
PY2805220888 Santiago Domestic Service in Spanish 1700 GMT 28 May 88

[Text] A lot of green dollars have arrived in Chile. This revelation, which will surely scandalize people, has been made by Carl Gershman, president of the National Endowment for Democracy, which is the organization in charge of distributing the money.

Approximately $1 million, more than 200 million pesos, which was given by the U.S. Congress for an open intervention in Chile, has been distributed among front organizations of the Christian Democratic Party and of international Marxism.

It should be recalled that in December 1987 the U.S. Congress approved a $1-million donation under the pretext of promoting democracy in Chile, a democracy in the Uncle Sam style, which is a very questionable model.

We will now give the breakdown of the distribution of more than 75 percent of the $1-million—after deducting the bribes, which must have already been disbursed.

The Foundation for Neighbor Community Action [Fundacion Para la Accion Vecinal Comunitaria—AVEC], which is a church organization under Marxist-Christian Democratic control, will receive $99,000. The Youth Development Center [Centro de Desarrollo Juvenil—CEDEJU], which is a communist front organization, will receive $28,000 for allowing the Chilean poor to participate in the political process. The Christian Democratic Party newspaper LA EPOCA, of Santiago, will receive $50,000—surely for financing it, because its circulation figures are very low. The Andante publishing house will receive $95,000 for publishing instruction manuals, surely to support the no vote in the plebiscite. The Eduardo Rios Arias-led Democratic Labor Central [Central Democratica de Trabajadores—CDT] and the Manuel Bustos-led National Workers Command, CNT, which belong to the Christian Democratic Party, will receive $75,000 each.

(Plaxo) [expansion unknown], an organization that belongs to the Christian Democratic sector, and the Committee of Personalities for Free Elections, which is led by Christian Democratic Leader Sergio Molinas—a former finance minister under the Frei administration and a very likely presidential candidate—will receive $500,000. Diego Portales University will receive $5,000 to offer political training conferences. The Catholic University Political Science Institute will receive $25,000 to sponsor a seminar on a peaceful transition to democracy in Chile.

According to the donors, the $26,000 granted to CEDEJU is to pay for pictures for the identification cards of the Chilean poor, so they can register with the electoral registries.

Gershman, who revealed the distribution of the money among the opposition organizations, said the $1-million donation is, quote, for promoting activities leading to a transition to democracy in Chile, unquote.

Observers believe this donation, after a deduction of commissions, is only a part of the donations that have been received not only from the United States but from other countries like the FRG, the Netherlands, Belgium, Italy, and France and from parties, groups, and organizations of the Chilean opposition [as heard]. Observers believe that millions and millions of dollars are involved and that a public hearing should be held to clarify this investment. However, the real meaning of this investment is that it is an open, insolent intervention in Chilean affairs, which is forbidden by the UN Charter.

National Party Leader Denies Resignation

PY0206192088 Santiago El MERCURIO in Spanish 22 May 88 pp C-1, 7

[Excerpt] Yesterday National Party [PN] President Patricio Phillips, a former senator, said he has not resigned the PN leadership, nor has his leadership been questioned. He admitted, however, the existence of internal conflicts regarding the current political line.

Phillips reasserted that the PN has been infiltrated by some individuals foreign to the PN. He again confirmed that his party endorses an agreement between the Armed Forces and the country's democratic parties.

Asked about reports on his resignation during a stormy meeting of the PN political committee on 19 May, Phillips responded: "The vice presidents, the Executive Board, and the party's Political Committee have clearly stated that there is no crisis and that the party's president has not resigned. Thus, I could hardly make a statement to the contrary."

Asked about his unexpectedly walking out of the meeting, Phillips flatly replied: "That is just an assumption."

Nevertheless, he admitted that "there were discussions, as is the case with any political party, but they did not involve administrative issues or the political leadership." [passage omitted]

Police Arrest Suspects in School Attack

PY3105030388 Santiago Radio Chilena Network in Spanish 2300 GMT 30 May 88

[Text] Twelve individuals who were arrested by the Investigative Police were put at the disposal of Military Prosecutor Fernando Torres Silva this afternoon. They are charged with committing about 40 attacks, one of them on the Japanese School, which resulted in three deaths, including the death of one of the attackers.

The criminals, described as members of a cell of the Manuel Rodriguez Patriotic Front, are accused of violating the state security law, and the arms and explosives control law, of bringing war materiel into the country, and of committing robbery and homicide.

The group was headed by (Patricio Enrique Quirino Gutierrez), who is charged with killing an investigative policeman and a guard at the Japanese School on 27 February 1988. The police also arrested (Juan Bautista Lopez Avendano), who is charged with killing an employee of the (Silas Musa) factory at 5295 La Industrias Street last February.

This afternoon the arrested individuals were interrogated by Military Prosecutor Fernando Torres Silva. It is expected that the charges against them will be decided in the next few minutes.

Police Arrest 10 Members of FPMR Cell

PY0206024888 Santiago Domestic Service in Spanish 2300 GMT 1 Jun 88

[Text] Carabineros have arrested members of a Manuel Rodriguez Patriotic Front [FPMR] cell formed and trained by militants of the proscribed Communist youth.

The 10 extremists were arrested by members of the 16th Carabineros station and have been placed at the disposal of the second military court of Santiago.

The head of the cell has been identified by police as textile expert Vladimir Henriquez Araya. It was stated that this individual joined the Communist youth when he was in the GDR. In 1986 he traveled to Cuba, where after 1 year of training he obtained a forged Argentine identity card in the name of Juan Larralde Mella.

After returning to Chile, he spent 4 months training FPMR members in the Grecia Avenue area. Later he took charge of the FPMR cells in Cerro Navia.

On 30 April Henriquez personally participated in the attack against the Cerro Navia municipal hall.

Vladimir Henriquez was carrying a forged identity card in the name of Jose Manuel Abscal Mella when he was arrested.

Along with Henriquez the police arrested nine other extremists, among whom are Leonardo Alejandro Gamboa Pinto, 18; Jose Miguel Ponce Castillo, 16; (Mario Alex Vazquez Uento); Jose Lucio Trejo Valenzuela, 24; (Yan Shim Leonel Cubillos Soto), 19; Daniel Aliro Bustamante Henriquez, 25; and several minors.

Military Prosecutor Attacked; Uninjured

PY2705185388 Santiago Domestic Service in Spanish 1700 GMT 27 May 88

[Excerpts] This is a preliminary official report on the aborted terrorist attack against ad hoc Military Prosecutor Fernando Torres Silva:

The report states that the terrorist attack, similar to the ones perpetrated in European capitals and the United States, was staged at noon today against ad hoc Military Prosecutor Fernando Torres Silva on the corner of Los Leones and Eliodoro Yanez Avenues, Providencia District, in the El Alto residential area of Santiago.

According to preliminary official reports by the police, two individuals riding a motorcycle opened fire at one of the vehicles escorting the military prosecutor. The individuals fired six shots. [passage omitted]

According to the police, the individuals were wearing jeans and were very young. The motocycle they used for the attack was found abandoned shortly after the attack, on the corner of Pedro de Valdivia and Socia Streets, from where it is believed the fled in a larger vehicle.

The bullet marks can be seen clearly on the southeastern side of the house on the corner of Los Leones and Eliodoro Yanez Avenues. They were fired against the white Opala car usually used by attorney Torres to carry out his investigations.

Among other cases, Military Prosecutor Torres is conducting investigations into the attack against President Pinochet, the murder of Carabineros officer Miguel Vazquez Escobar, and the smuggling into the country of a large arsenal through the northern border. [passage omitted]

This is the first preliminary official report on the attack provided for our listeners.

Torres Silva Comments

PY2805134588 Santiago Radio Chilena in Spanish 2300 GMT 27 May 88

[Text] What happened was merely a traffic accident until proven otherwise. This statement was made by ad hoc Military Prosecutor Fernando Torres Silva regarding the terrorist attack staged at noon today at the corner of Los Leones and Heliodoro Yanez Avenues, Providencia District, which left no casualties. Two hours later, Torres made the following statement to the press:

[Begin recording] [Torres] What happened was merely a traffic accident until proven otherwise.

[Reporter] Did your guards repel the attack?

[Torres] Yes, of course. That is not my field. They are trained to repel an attack, and they performed their job very well.

[Reporter] How would you describe your guard's performance?

[Torres] The guards performed very well. I can go with them wherever I want with absolute security.

[Reporter] How many people took part in the attack? A motorcycle with an armored back rest reportedly was found abandoned on Pedro Valdivia Street.

[Torres] I was told that two people were riding the motorcycle, but I tell you again that I can confirm absolutely nothing. [end recording]

It was reported that the individuals tried to magnetically attach a bomb to the trunk of Colonel Torres' car. In this regard, the journalists asked Torres:

[Begin recording] [Reporter] There are still traces on your vehicle, where it seems that they tried to magnetically attach a bomb to it.

[Torres] Yes. I am seeing that right now. I am surprised.

[Question indistinct]

[Torres] [Passage indistinct] Everything is being investigated, and I think that within 2 hours you and I will find out what happened.

[Reporter] Who will be in charge of the investigation?

[Torres] The officer on duty will have to investigate it. He is Commander Andrada, I think. [end recording]

Torres said he was very calm and that as soon as the case is cleared up he would give a more appropriate opinion on the issue.

FPMR Takes Credit

PY2805161488 Madrid EFE in Spanish 1529 GMT 28 May 88

[Text] Santiago, 28 May (EFE)—Today the Manuel Rodriguez Patriotic Front (FPMR) claimed Friday's abortive attack on Military Prosecutor Fernando Torres Silva.

An FPMR spokesperson, who usually identifies herself as Mariela Vargas, told the media the attackers unsuccessfully tried to place a bomb on the prosecutor's car, which was heading for downtown Santiago.

The spokesperson said the attack was staged "on behalf of all the patriotic forces of the country."

Yesterday two men riding a motorcycle intercepted the prosecutor's car, but were repelled by his bodyguards. The motorcycle seat's back rest was made of steel to protect against bullets. The motorcycle was found abandoned near the place of the attack, in northeastern Santiago.

Police sources said the 1-meter-high steel plate is similar to those used by Colombian guerrillas for the same purposes.

The government of General Augusto Pinochet considers the FPMR to be the armed branch of the Chilean Communist Party.

In September 1986, in an ambush along a highway that leads to Santiago, the FPMR tried to murder Pinochet by attacking the presidential motorcade with bazookas and automatic rifles. Six presidential bodyguards died, but Pinochet came out unhurt.

Two months before the authorities had discovered 55 tons of weapons and explosives the FPMR had smuggled into northern Chile.

Colombia

ELN Denies Holding Gomez; Citizens Protest

PA0206165588 Buenos Aires REUTER in Spanish 1632 GMT 2 Jun 88

[Text] Bogota, 2 Jun (REUTER)—Today National Liberation Army (ELN) guerrillas denied that they are holding former presidential candidate Alvaro Gomez Hurtado, who was kidnapped by unidentified people in Bogota 4 days ago.

The denial is made in a communique sent to REUTER, as citizens in the capital took to the streets waving handkerchiefs and honking their horns in protest over the Gomez Hurtado kidnapping.

Army Commander Denies Military Coup Rumours

PA0206142088 Paris AFP Spanish 1920 GMT 1 Jun 88

[Excerpt] Bogota, 1 Jun (AFP)—The possibility of a coup d'etat in Colombia was flatly denied by Colombian Army Commander General Oscar Botero, who said "we respect democracy."

Botero explained: "The question of a military coup is mere speculation. Ever since I have been in the military I have heard during times of crisis that there will be a military coup, but I believe the country is aware of the civic attitude of our Armed Forces."

Today in Bogota the officer analyzed the country's public order situation, particularly the kidnapping of conservative opposition leader Alvaro Gomez on Sunday.

The whereabouts of Gomez, a lawyer, journalist, and former presidential candidate, is a complete mystery. [passage omitted]

'Terrorists' Destroy Section of Oil Pipeline

PA0306010288 Bogota Emisoras Caracol Network in Spanish 1215 GMT 2 Jun 88

[Text] About 40 meters of the Cano Limon-Covenas oil pipeline was destroyed in renewed dynamite attacks by terrorists in the northeastern part of the country.

The authorities reported that in an apparently new strategy, presumed clandestine ELN [National Liberation Army] terrorists have changed where they attack the Cano Limon-Covenas pipeline, because since last week these dynamite attacks have taken place in the southern part of El Cesar Department. Prior to this, most of the more than 25 attacks on the long pipeline took place at (Pamorosa) on the way to (Saravena)—in other words, in the Arauca adminstrative division.

It was reported that the last attack stopped the pumping of crude oil from the Cano Limon oil fields to the Caribbean port of Covenas. The attack took place at Ayacucho, on the Norte de Santander and El Cesar border.

Ecuador

Government Lifts State of Emergency 2 June

PA0306013088 Buenos Aires REUTER in Spanish 0027 GMT 3 Jun 88

[Text] Quito, 2 Jan (REUTER)—The conservative government of Ecuador lifted the state of emergency it had declared in order to cope with a nationwide strike called by the leftist unions.

Yesterday's protest to demand salary increases did not obtain any immediate results, but it increased social tension in the 10 weeks left before President Leon Febres-Cordero is replaced by Social Democrat Rodrigo Borja.

Three people were wounded and 40 were arrested during this strike, the seventh against the Febres-Cordero administration, although there were no serious incidents.

Yesterday Government Minister Heinz Moeller said that the government will increase salaries prior to 10 August, when this administration comes to an end.

Some analysts feel that Borja, who is on a private visit to the United States, and the congress controlled by his Democratic Left party will have to cope with the workers' salary demands.

"The only winner in this nationwide strike is the Ecuadoran people, who have reacted in a responsible manner to the need for developing the country and their respective families," Moeller said last night.

The leadership of the Sole Workers Front (FUT), which had called the strike, has not ruled out the possibility of calling for another strike prior to 10 August.

The labor unions are demanding a 141-percent salary increase, against a government proposal of raising salaries by 31 percent. A minimum wage of 14,500 sucres ($30) has been in effect for 1 year.

Inflation Said To Cause Social Unrest

PA0206235488 Paris AFP in Spanish 1915 GMT 31 May 88

[Report by Manuel Maldonado]

[Text] Guayaquil, Ecuador, 31 May (AFP)—Various public indicators show that an unprecedented structural inflationary stampede in Ecuador is sustaining a heated climate of social upheaval and is reducing Social Democrat Rodrigo Borja's government's capacity to operate.

Unlike the 1982-1983 inflationary explosion, caused by a sudden decline in farm production and the destruction of the highway infrastructure by the oceanic-atmospheric phenomenon "El Nino," the current national inflationary surge is caused by a serious fiscal imbalance, according to the National Development Council (CONADE) and the Study and Analysis Center [Centro de Estudios y Analisis—CEA], a private economic research institution.

Income from petroleum, which in 1985 netted almost $1.6 billion as the country's leading export, dropped to $900 million in 1986 and $723 million in 1987, as a result of a combination of lower prices and an earthquake in March 1987, which destroyed the oil pipeline used to transport crude.

With this year's continued decline of prices, Leon Febres-Cordero's conservative government has estimated losses during the 3-year 1986-1988 period to be a little over $3 billion.

Analysts have reproached Leon Febres-Cordero's government for maintaining an intense effort in the field of public works, completing many nonessential projects and raising expenses instead of adapting them to the serious oil restrictions.

The public deficit, which in 1985 was scarcely 30 billion sucres within a total expense of 20 billion, will rise this year to 315 billion with a programmed expense of 835 billion. [all figures as received]

An inability to pay interest on the foreign debt over the past 2 years abruptly reduced foreign financing, and the government turned to the Central Bank, which increased its annual interest rate by 50 percent until April 1988, according to the lastest statistical reports from the issuing institution.

The money in circulation, defined as the primary issue, and deposits in checking accounts within the banking system increased 46 percent, generating strong pressures on consumption and the exchange and interest rates, because of the monetary restrictions enforced against the private sector to compensate for the expansion of the public sector, according to figures issued by the Central Bank.

As a result, inflation, which until 1985 had remained at the manageable level of 22 percent, is currently above 43 percent and on the verge of increasing, according to several analysts, including former Vice President Leon Roldos.

"The price of excessive spending and unnecesary public works has been a growing climate of social upheaval and a sudden drop in President Febres-Cordero's popularity," Roldos said.

The CEA warned that the most difficult task for Rodrigo Borja, who will take office on 10 August, will be to control inflation by reducing expenses and increasing income, perhaps with unpopular measures.

Among these measures, said Alberto Dahik, a former finance minister under Febres-Cordero, are increases in the prices of gasoline and the service tariffs at public institutions, some of which should be eliminated because of their large deficits.

Under these circumstances, the Sole Workers Front (FUT), the National Workers Coordinating Board [Coordinadora Nacional de Trabajadores—CNT], and the Confederation of Indigenous Nationalities (CONAI) scheduled the seventh national antigovernment strike for tomorrow, Wednesday.

The 24-hour strike will be carried out to demand substantial salary increases and the freezing of basic product prices, and to protest eventual public transportation fare increases, which vehicle owners are demanding should be 100 percent, under threat of an indefinite strike if their requests are not fulfilled.

Simultaneously, the National Union of Teachers (UNE) has been on strike for the past 8 days, demanding salary increases, while in the public sector there is a harsh debate under way regarding the amount of the basic salary.

Peru

Lawyer, IU Mayor Killed; Shining Path Blamed

PY0206131188 Madrid EFE in Spanish 0141 GMT 2 Jun 88

[Text] Lima, 1 Jun (EFE)—Today official sources reported that presumed Shining Path activists murdered a lawyer who had been wounded by the same group 2 months ago and was recovering in a Lima hospital, and a left-wing mayor from Apurimac Department, Andean region.

Hospital sources said that lawyer Carmen Rosa Cusquen Cabrera, 32, was shot in the head while recovering from another wound in the "Archbishop Loizaga" Hospital in Lima.

The sources added that the lawyer was scheduled to leave the hospital today after recovering from two bullet wounds suffered during an attack at her home in Lima on 2 April.

Lima Prefecture authorities (civilian government) blamed the Shining Path for both attacks on the lawyer.

Today Apurimac Department police sources reported that Aristides Gutierrez, mayor of the town of Progreso, was murdered 3 days ago during a raid on the town by nearly 60 Shining Path members.

Gutierrez was a member of the seven-party United Left (IU) coalition, the country's second largest political organization. He was the 180th civilian official to be murdered by the Shining Path. Most of those killed have been members of the ruling APRA.

According to official figures, this terrorist movement has caused nearly 9,000 deaths, including 3,900 civilians, some 4,500 terrorists, and 530 policemen and soldiers, since it first appeared 8 years ago.

23 Rebels Killed

PY0206191588 Madrid EFE in Spanish 1604 GMT 2 Jun 88

[Text] Lima, 2 Jun (EFE)—According to reports released in Lima today, a total of 23 alleged guerrillas of the Maoist Shining Path organization were killed in two clashes with the police and the Army.

According to a report issued by the paramilitary Civil Guard force, in the Uchiza area, San Martin Department, a 33-men Civil guard patrol intercepted a column of alleged subversives, who opened fire on the Civil Guardsmen.

The Peruvian Civil Guard reported in Lima today that 11 alleged guerrillas were killed in the clash, which occurred yesterday, and that weapons and explosives were seized. No casualties were reported among the Civil Guardsmen.

Today the emergency zone political-military command in Ayacucho, southern Peru, reported that yesterday a "Shining Path" column ambushed an Army patrol in a place called Iscaya, Huanta Province.

According to the source, 12 "Shining Path" guerrillas were killed, among them 4 guerrilla leaders, after a 15-minute shoot-out.

The political-military command added that several weapons were seized after the clash, including a revolver that belonged to police corporal Ricardo Ramos, who was killed in Huanta on 1 May 1988.

The Tupac Amaru Revolutionary Movement (MRTA) has claimed responsibility for the killing of attorney Carmen Rosa Cusquen, who was shot to death yesterday in her bed in a Lima hospital.

The attorney had been the target of another attack 2 months ago and was convalescing. She was scheduled to be discharged from the hospital today.

According to an MRTA communique, the attorney was killed for "committing high-treason acts, for being an informer," and for cooperating with the antiterrorist directorate and with the Army intelligence service.

Irradiation Plant Construction Announced

PY0206141188 Lima Domestic Service in Spanish 1200 GMT 2 Jun 88

[Text] Victor Latorre Aguilar, president of the Peruvian Nuclear Energy Institute, IPEN, has announced the construction of a multipurpose irradiation plant for food preservation and for sterilizing surgical equipment. The physical infrastructure will be financed with IPEN research funds and will be built at the Peruvian nuclear research center in Hurangal. Construction is scheduled to end in 1 year. The project is now in the design stage.

Uruguay

Foreign Minister on Fishing in Exclusion Zone

PY0206153188 Madrid EFE in Spanish 0406 GMT 2 Jun 88

[Text] Montevideo, 1 Jun (EFE)—Uruguayan Foreign Minister Luis Barrios Tasano has told Montevideo news media that Uruguayan trawlers will not operate inside the British exclusion zone around the Malvinas Islands if an agreement is not reached with Argentina.

Barrios said that "diplomatic negotiations must be broadened" in order to reach a new fishing agreement with Argentina and added that the Uruguayan Foreign Ministry "is backing the shipowners' efforts to find a rational solution to the fishing problem in agreement with the Argentine Government."

The problem that the Uruguayan trawlers face is that during the southern summer the main species of fish migrate toward areas that are either in Argentine jurisdiction or under the control of the Malvinas Islands. This situation paralyzes the Uruguayan fishing fleet and fishing industry for 4 months.

According to the Uruguayan foreign minister, his Argentine counterpart, Dante Caputo, "is looking for a reasonable solution to the problem."

The Uruguayan shipowners had stated that unless an agreement is reached with Argentina before next summer, they will apply for fishing licenses from the British Government to operate in the exclusion zone around the Malvinas Islands.

Venezuela

UK Minister Praises Lusinchi Economic Policy

PA0206162588 Caracas Venezolana de Television Canal 8 in Spanish 1600 GMT 1 Jun 88

[Text] Tim Renton, UK minister of state for the Foreign and Commonwealth Office, has said the economic policy promoted by President Jaime Lusinchi's government guarantees that UK businessmen will invest in several projects. Renton, who is visiting Venezuela, held a news conference during which he stressed the prestige Venezuela enjoys around the world. He also expressed his government's high esteem for the Venezuelan Government and added that Venezuela's ability to meet its foreign debt commitments has won it the trust of the international banks:

[Begin Renton recording, in English with simultaneous Spanish translation] Indeed, quite the contrary, I am confident that the present trend is toward an increase in investment, and this is from a country which is already the second largest investor in Venezuela. [end recording]

Guyana

Hoyte on Visit to UK, Oil Exploration Plan

FL0206203088 Bridgetown CANA in English 2101 GMT 1 Jun 88

[Excerpts] Georgetown, Guyana, June 1, CANA—Guyana's President Desmond Hoyte has announced completion of an oil exploration deal with a British company. The completion of negotiations and the finalising of a profit sharing agreement with London and Scottish Marine Oil Company (LASMO), which proposes to explore for oil off the Guyana coastland, was announced by Hoyte in an address to the advisory Supreme Congress of the People.

Reporting on his recent visit to Britain and Brussels, Hoyte said that the agreement with LASMO will be signed by the end of July in Guyana and that immediately after the signing, the British firm will start mobilising to begin exploration activities by the end of the year.

He said LASMO had to be convinced by the government that nationalisation is no longer part of the government's options and in the end was perfectly satisfied about the government's good faith.

He told the Supreme Congress that during his discussions with senior representatives of the British Government, including Prime Minister Margaret Thatcher, he received positive indications of substantial support. [passage omitted]

He said one of the most important results of his visit to Britain is the fact that a delegation of British businessman and investors keen on evaluating a number of projects for possible involvement and investment will be visiting Guyana from June 19-23. [passage omitted]

Hoyte also announced that as a result of his visit a team from Britain's Commonwealth Development Corporation (CDC) arrived here on Sunday evening to upgrade preliminary studies on proposals for establishing a beef cattle project in Guyana's intermediate savannahs and setting up a citrus plantation project. Both will be geared for the export market. [passage omitted]

Hoyte said while in London, he and his delegation reviewed a report submitted by British Airport Services Ltd (BASL) for improving efficiency of services at Guyana's Timehri International Airport. In addition, they requested BASL to proceed with proposals for a joint venture in managing the airport, to ensure the introduction of efficient management techniques and continuing access to modern technology along with high technical standards.

Since then, BASL officials have already visited Guyana for technical discussions to expedite the completion of the proposals. [passage omitted]

While in London, Hoyte, who said his visit was intended to re-establish tradional links and strengthen others with the British business community, also met and held discussions with Guyanese businessmen and met with Guyanese residents in Britain.

Announces EC Project

FL0206204888 Bridgetown CANA in English 1423 GMT 2 Jun 88

[Text] Georgetown, Guyana, June 2, CANA—The European Community (EC) has approved an infrastructural rehabilitation project for Guyana, President Desmond Hoyte has announced.

Hoyte said acting president of the EC, Lorenzo Natali, had assured him that proposals for a rehabilitation project for the bauxite industry will be submitted to the European Development Fund (EDF) committee before the end of September.

In addition, an European Investment Bank (EIB) team is expected to travel to Guyana before the end of July to discuss with the bauxite industry development company how the EIB contribution could be most effectively made to the project.

Hoyte, reporting on a recent trip to London and Brussels, said the bauxite project involves funding from the EDF and the EIB of about 47 million ecus or about 60 million U.S. dollars.

He said a most important part of his discussions with Natali reflected on the role the EC can play in helping Guyana with its programme of development within the framework of a possible IMF (International Monetary Fund) programme. He said understanding quite well the adverse impact that an adjustment programme can have, initially, on the poorer sections of the population, the EC plays an important role in cushioning this impact by financing projects calculated to provide employment, generate income and maintain critical social services.

It is politically significant, too, that while many bilateral donors had suspended their aid programme to Guyana in the early 1980's the European Community stayed with us in those difficult times, Hoyte said.

He announced that the EC had increased the allocation for the local indicative programme by the equivalent of about two million U.S. dollars.